



GENERAL ASSEMBLY  
STATE OF VERMONT  
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Thursday, November 8, 2018  
Ethan Allen Room, State House

- 10:00 a.m. A. Call to order and approve minutes of September 27, 2018 [**APPROVED**]
- 10:05 a.m. B. Administration's Fiscal Updates  
*Adam Greshin, Commissioner, and  
Matt Riven, Deputy Commissioner, Department of Finance & Management*
1. FY2019 Budget Adjustment Pressures
  2. FY2020 Budget Development Process, and Projected Revenue & Expenditures
  3. Caseload Reserve and Global Commitment Fund
  4. General Fund and Education Fund Reserves [*D.109 of Act 11 of SS2018*]
  5. Movement of State Employees (National Life, Dill Building- Berlin, and Barre City Place)  
*Chris Cole, Commissioner, Department of Buildings & General Services*
  6. Tax Computer System Modernization Fund Report [*...further amended by  
Sec. E.111.1 of Act 11 (H.16) of SS2018*] [*doc*]  
*Craig Bolio, Deputy Commissioner, Department of Taxes*
- 10:50 a.m. C. Grants
1. JFO #2933 - \$7,583,030 from the Centers for Disease Control and Prevention to the VT Dept. of Health. *Two (2) limited-service positions are associated with this request.* Funds and positions would be used to improve prevention and management of diabetes and cardiovascular disease in rural high-risk populations in Vermont. [**APPROVED**]  
*Julie Arel, Director of Health Promotion and Disease Prevention, and  
Brad O'Connor, Grants Manager, Department of Health*
  2. JFO #2934 - \$8,211,854 from the Substance Abuse and Mental Health Services Administration to the VT Agency of Education to partner with the VT Dept. of Mental Health and three supervisory unions in the state to promote the improvement of mental health services and outcomes in school-age youth. *One (1) limited-service position is associated with this request.* [**APPROVED**]  
*Jennifer Gresham, Agency of Education  
Tracy Mongeon, Children's Mental Health Care Manager, Department of  
Mental Health*

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- 11:15 a.m. D. Fiscal Officers Report - *Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office*
1. Legislature's Budget Update
  2. Decarbonization Study Update
  3. Tax deductibility for Legislators
  4. State Employees and Teachers' Retirement
- 11:30 a.m. 5. Basic Needs Budget [[2 VSA § 505](#)] [APPROVED]  
*Proposed Changes to Methodology*  
*Dan Dickerson*  
*Nolan Langweil, Senior Fiscal Analyst, Joint Fiscal Office*
- 11:50 a.m. 6. Grant Approval Statute Issues [*doc*]  
*Dan Dickerson, Fiscal Analyst, Joint Fiscal Office*  
*Rebecca Wasserman, Legislative Counsel, Office of the Legislative Council*
- 12:10 noon E. [Moody's Downgrade to Vermont's Bond Rating](#)  
*Beth Pearce, Vermont State Treasurer, [packet of docs]*  
*Ashlynn Doyon, Executive Assistant, and*  
*Scott Baker, Director of Financial Reporting, Office of the State Treasurer*
- 12:30 p.m. Adjourn

*updated 11/08/2018 at 4:22 p.m.*

*Notable Dates: All Legislative Briefing on November 28, 2018 at 10:00 a.m. in the Well of the House*

## Statutory Language – Agenda

### **B.4 REVIEW OF THE STATUTORY RESERVE LEVELS** [D.109 of Act 11 of SS2018]

- (a) On or before October 31, 2018, the Joint Fiscal Office and the Department of Finance and Management shall review the statutory reserve requirements for the General Fund, the Education Fund, and the State Health Care Resources Fund, and make recommendations for changes to the existing statutory requirements, taking into consideration actions taken during the 2018 legislative session.

### **B.6. Tax Computer System Modernization Fund Report** [Act 65, Sec. 282 of 2007 as amended by Act 63, Sec. C.103 of 2011 as amended by Sec. 65 of Act 1 of 2013, Sec. 62 of Act 95 of 2014, and Sec. 47 of Act 87 of 2018 and further amended by Sec. E.111.1 of Act 11 (H.16) of SS2018]

- (a) Creation of fund.

- (1) There is established the tax computer system modernization special fund to consist of:

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- (e) The Commissioner of Taxes shall report to the Joint Fiscal Committee on fund receipts at or prior to the November Joint Fiscal Committee meeting each year until the Fund is terminated.

**D.b. LEGISLATIVE BRANCH WORKFORCE COMPARATIVE EVALUATION [Sec. E.126 of Act 11 (H.16) of SS2018]**

(a) The Speaker of the House and President Pro Tempore of the Senate shall contract with the National Conference of State Legislatures (NCSL) to perform a comprehensive evaluation of compensation, staffing, workload, and organization concerning the staff and offices of the Vermont General Assembly.

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(c) NCSL shall submit a final written report to the Speaker of the House, the President Pro Tempore of the Senate, the Joint Fiscal Committee, the Legislative Council Committee, the Joint Information Technology Oversight Committee, the House Rules Committee, the Senate Rules Committee, and the Joint Rules Committee on or before **November 16, 2018**.

## Reports

**INDIVIDUAL MANDATE WORKING GROUP; REPORT Sec. 3 of Act 182 of 2018**

(a) Creation. There is created the Individual Mandate Working Group to develop recommendations regarding administration and enforcement of the individual mandate to maintain minimum essential coverage.

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(e) Report. On or before November 1, 2018, the **Working Group shall provide its recommendations for administration and enforcement of the individual mandate** to the House Committees on Health Care and on Ways and Means, the Senate Committees on Health and Welfare and on Finance, **the Joint Fiscal Committee**, and the Health Reform Oversight Committee.

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**HUMAN SERVICES alternative proposal for 12-beds [Sec. 2 of Act 190 (H.923) of 2018 amending the Sec. 3 of Act 84 of 2017]**

(a) The sum of \$300,000.00 is appropriated in FY 2018 to the Department of Buildings and General Services for the Agency of Human Services for cameras, locks, perimeter intrusion at correctional facilities, and renovations to the Southeast State Correctional Facility for up to 50 beds.

~~(b) The sum of \$300,000.00 is appropriated in FY 2019 to the Department of Buildings and General Services for the Agency of Human Services for the projects described in subsection (a) of this section. The following sums are appropriated in FY 2019 to the Department of Buildings and General Services for the Agency of Human Services:~~

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~~(4) Brattleboro, Brattleboro Retreat, renovation and fit-up: \$4,500,000.00~~

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~~(e) For the amount appropriated in subdivision (b)(4) of this section:~~

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**(5)(A) On or before October 15, 2018**, the Secretary of Human Services shall notify the Chairs of the House Committees on Corrections and Institutions and on Health Care, and of the Senate Committees on

Health and Welfare and on Institutions if an **agreement between the Brattleboro Retreat and the State of Vermont** cannot be reached and shall submit to them an alternative proposal for the 12 beds. With approval of the Speaker of the House and the President Pro Tempore of the Senate, as appropriate, the House Committees on Corrections and Institutions and on Health Care and the Senate Committees on Health and Welfare and on Institutions may meet up to two times when the General Assembly is not in session to evaluate, approve, or recommend alterations to the proposal. Members of the House Committees on Corrections and Institutions and on Health Care, and the Senate Committees on Health and Welfare and on Institutions shall be entitled to receive a per diem and expenses as provided in 2 V.S.A. § 406.

(B) The Secretary of Human Services shall **submit a copy of the alternative proposal** described in subdivision (A) of this subdivision (5) to the Joint Fiscal Committee.

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CHILD CARE FINANCIAL ASSISTANCE PROGRAM ADJUSTMENTS [Sec. E.318.1 of Act 11 (H.16) of SS2018]

(a) Of the funds appropriated in Sec. B.318 of this act, \$738,511 is allocated consistent with provisions related to the Child Care Financial Assistance Program in any legislation enacted in 2018 pertaining to Vermont's minimum wage, to allow the Commissioner for Children and Families to:

(1) adjust the sliding scale of the Child Care Financial Assistance Program benefit to correspond with the increase in minimum wage to \$10.50 as of July 1, 2018 and to \$11.10 as of January 1, 2019, to ensure that the benefit percentage at each new minimum wage level remains the same as the percentage applied under the former minimum wage; and

(2) adjust the market rate used to inform the fee scale in a manner that offsets the estimated increased cost of child care in Vermont resulting from the increase in minimum wage to \$10.50 as of July 1, 2018 and to \$11.10 as of January 1, 2019.

(b) In November 2018 and each year thereafter until 2021, the Department shall report to the Joint Fiscal Committee regarding the projected cost to:

(1) adjust the sliding scale of the Child Care Financial Assistance Program benefit to correspond with a statutorily required increase in the minimum wage for January 1, 2020 and for each year thereafter until 2023 that ensures that the benefit percentage at a new minimum wage level remains the same as the percentage applied under the former minimum wage; and

(2) adjust the market rate used to inform the fee scale in a manner that offsets the estimated increased cost of child care in Vermont resulting from a statutorily required increase in the minimum wage for January 1, 2020 and for each year thereafter until 2023.

Participant Directed Attendant Care (PDAC) Program [Sec. E.330 of Act 11 (H.16) of SS2018] [No report submitted because there were no funds transferred]

(a) The Department of Disabilities, Aging, and Independent Living shall continue to operate the participant directed attendant care program and shall not reduce an enrolled individual's level of services in fiscal year 2019. The Agency of Human Services shall ensure that adequate funding is available to the Department for the operation of this program for fiscal year 2019 and shall report to the Joint Fiscal Committee in November 2018 any necessary funding transfers from within the Agency needed to meet this requirement.

(b) The Department shall make a determination regarding the clinical and financial eligibility of each currently enrolled individual for the Medicaid Choices for Care program or any other program that could provide the necessary attendant care services. The Department shall report to the Joint Fiscal Committee in September 2018 on the status of these determinations.

Annual Report on Pay Act Allocations [3 V.S.A. § 2281] [Department of Finance][Received]

The Department of Finance and Management is created in the Agency of Administration and is charged with all powers and duties assigned to it by law, including the following:

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(4) To report on an annual basis to the Joint Fiscal Committee at its November meetings on the allocation of funds contained in the annual pay acts and the allocation of funds in the annual appropriations act which relate to those annual pay acts. The report shall include the formula for computing these funds, the basis for the formula, and the distribution of the different funding sources among state agencies. The report shall also be submitted to the members of the House and Senate Committees on Government Operations and Appropriations. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

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Quarterly report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission [30 V.S.A. § 20] [Public Service Department and Board] [Received]

§ 20. PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL

(a)(1) The Board or the Department of Public Service may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services:

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(b) Proceedings, including appeals therefrom, for which additional personnel may be retained are:

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(9) proceedings at the Federal Energy Regulatory Commission which involve Vermont utilities or which may affect the interests of the state of Vermont. Costs under this subdivision shall be charged to the involved electric or natural gas companies pursuant to subsection 21(a) of this title. In cases where the proceeding is generic in nature the costs shall be allocated to electric or natural gas companies in proportion to the benefits sought for the customers of such companies from such advocacy. The public service board and the department of public service shall report quarterly to the joint fiscal committee all costs incurred and expenditures charged under the authority of this subsection, and the purpose for which such costs were incurred and expenditures made;

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**Small Grants Quarterly Report [32 V.S.A. § 5] [Joint Fiscal Office]**

(a) No original of any grant, gift, loan, or any sum of money or thing of value may be accepted by any agency, department, commission, board, or other part of state government except as follows:

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(3)(A) This section shall not apply to the following items, provided that the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities:

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(B) The Secretary of Administration and Joint Fiscal Office shall be promptly notified of the source, value, and purpose of any items received under this subdivision. The Joint Fiscal Office shall report all such items to the Joint Fiscal Committee quarterly. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

**Quarterly report on excess receipts [32 V.S.A. § 511] [Department of Finance] [Received]**

All special funds shall be organized and managed in accordance with the provisions of this section.

(1) Purpose and identification. Each special fund shall be established for a specific purpose, identified by a unique name, and managed on the State Central Accounting System under the control of the Commissioner with the actual monies held under the authority and responsibility of the State Treasurer.

(2) Receipts. Each special fund shall consist of receipts specified upon its creation and of transfers from other funds as authorized by the General Assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

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(6) Accounting and reporting.

(A) Each special fund shall be accounted for under the direction of the Commissioner, and the balance at the end of the prior fiscal year shall be reported to the Joint Fiscal Committee on or before December 1 of each year.

(B) In addition, the Commissioner shall annually report a list of any special funds created during the fiscal year. The list shall furnish for each fund: its name; authorization; and revenue source or sources. The report for the prior fiscal year shall be submitted to the General Assembly through the Joint Fiscal Committee on or before December 1 of each year.

**Special funds balance and list of funds created [32 V.S.A. § 588] [Department of Finance] [received]**

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Global Commitment Fund Estimated Fiscal Yearend Report of Managed Care Investments.  
[33 V.S.A. § 1901e(c)] [Agency of Human Services] [received]

- (a) The Global Commitment Fund is created in the Treasury as a special fund. The Fund shall consist of the revenues received by the Treasurer as payment of the actuarially certified premium from the Agency of Human Services to the managed care organization within the Department of Vermont Health Access for the purpose of providing services under the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

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- (c) Annually on or before October 1, the agency shall provide a detailed report to the joint fiscal committee which describes the managed care organization's investments under Term and Condition 57 of the Global Commitment for Health Medicaid Section 1115 waiver, including the amount of the investment and the agency or departments authorized to make the investment.





**GENERAL ASSEMBLY**  
**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL COMMITTEE

Thursday, November 8, 2018

Minutes

Room 10, State House

Members present: Representatives Ancel, Fagan, Lippert, and Toll, and Senators Cummings, Kitchel, Sears, and Westman.

Other Attendees: Administration, Joint Fiscal Office, and Legislative Council staff, and various media, lobbyists, and advocacy groups.

Representative Janet Ancel, Chair, convened the meeting at 10:04 a.m. Representative Fagan moved to approve the minutes as presented, and Senator Cummings seconded it. The Committee approved the motion.

**B. Administration's Fiscal Updates – 1. FY 2019 Budget Adjustment Pressures**

Adam Greshin, Commissioner, and Matt Riven, Deputy Commissioner, Department of Finance & Management, reviewed the fiscal updates for the Governor's FY 2019 Budget Adjustment proposal. Commissioner Greshin explained that the Department was currently meeting with all the State Agencies and Departments on their FY19 and FY20 budget requests. The biggest pressure for FY 2019 was in the Agency of Human Services, but the net effect to the budget did not appear to be significant.

Senator Kitchel commented that at the September Committee meeting the Department mentioned its preliminary budget adjustment pressures included an AHS grant reduction plan that it found unachievable as well as an increase in a collective bargaining agreement that would increase the costs associated with direct care workers' wages. The Senator asked if there were no identified FY 2019 budget adjustments that were significant. Mr. Riven responded that the Department did not expect a significant AHS downward pressure in FY 2019. The Agency was planning to manage the grant reduction and book savings in efficiencies. However, there would be some upward pressure in the FY19 BAA for the American Federation of State, County and Municipal Employees (AFSCME) settlement. Although difficult to predict, there could be some downward pressure in the revenue sources supporting the Medicaid enhanced match in areas such as mixed enrollees.

Mr. Riven, in responding to Representative Lippert, stated that the Department was striving for level-funded budgets in AHS, but it was too soon to predict. The Chair asked when the Department would have the final numbers on the FY19 BAA. Commissioner Greshin stated

that the Department should have all the information needed for the FY19 BAA within the first two weeks of January.

Senator Kitchel showed concern for the Department oversimplifying the financial agility of AHS. Senator Westman cautioned that the State set the benefit levels in Medicaid, but the population levels were not known until the end of the calendar year. Mr. Riven agreed and stated that AHS' base request looked out over 18 months for its trend, further complicating forecasting.

## 2. FY 2020 Budget Development Process, and Projected Revenue & Expenditures

Commissioner Greshin explained that the Department was about 75% complete with the agencies and departments on budget submissions and he anticipated finishing the rest of the departments by the end of the following week with further refining afterward. The Commissioner reviewed the status of available General Funds for FY 2020. The base starting point from FY 2019 was about \$1.3 million with an additional \$18 million upgrade from the July 2018 Emergency Board consensus forecast, and another approximate \$15 million of Direct Applications, totaling \$32–\$33 million of additional revenue to the FY 2020 General Fund. The additional revenue was about the same amount needed for the State's growth in liabilities such as teachers' and State Employees' pensions and accrued liability, along with Other Post-Employment Benefits (OPEB), which were predominately healthcare costs. In addition to these costs, there was an additional \$7 million in debt service liability for the State's outstanding bonds. State liabilities for FY 2020 totaled about \$40 million before factoring in additional pressures not yet identified.

Representative Toll asked that any proposed major programmatic or policy initiatives for FY 2020 be delivered to the Legislature early in the session. In responding to Senator Kitchel, the Commissioner explained that the Administration would hold off on finalizing its decisions for corporate tax revenue until after the Emergency Board adopts its January 2019 consensus forecast. Senator Kitchel requested that the Administration deliver the liabilities report (unfunded budget pressures) quickly to the Legislature, and Representative Toll added that it would be helpful to have the liabilities report ahead of the delivery of the budget or in tandem of the budget for a comparison with budget requests.

Commissioner Greshin inquired what the statutory authority was for the liabilities report deadline. Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office, responded that the liabilities report traveled as part of the budget report per Sec. E.100.9 of Act 172 of 2016 (cited budget report 32 V.S.A. § 306). The Chair suggested that the report was not widely distributed and may need to be included in the upcoming Friday afternoon session workshops.

## 3. Caseload Reserve and Global Commitment Fund

Mr. Riven reviewed the reserves included in Act 11 of Special Session 2018 (budget) and the language created to transfer \$80 million to the Caseload Reserve to cover the States obligation from Medicaid known as the "tail." However, the payment to the obligation would not be documented in the Comprehensive Annual Financial Report (CAFR) until 2019, but the Department had notified the rating agency of the positive movement from the State in paying its obligations. Although it did not change the outcome of Moody's downgrade to Vermont's bond rating, it should be a positive attribute for future bond ratings.

#### 4. General Fund and Education Fund Reserves

Commissioner Greshin explained that in Act 11 of Special Session 2018 the Administration was asked to review the statutory requirements for General Fund and Education Fund reserves and submit recommendations to the Committee for changes, including a possible reserve for the Health Care Resources Fund. The Education Fund reserves were full at the 5% statutory amount, and the General Fund was at 6%, which was a bit higher than the statutory amount. The Administration recommendation was to merge the State Health Care Resources Fund into the General Fund instead of adding another reserve. A challenge in the past with creating new reserves had been finding the funds to cover the statutory 5%. The General Fund has traditionally been a backup to the State Health Care Resources Fund when it ran low or completely out of assets. It seemed logical to combine the State Health Care Resources Fund with the General Fund. Commissioner Greshin stated that the combining of the two funds would give more information to the rating agency [Moody's] as to the resources the State had to offset its debt. The Commissioner clarified, per Senator Kitchel's request, that building General Fund reserves would paint a better picture of the State's debt versus discretionary funds.

Senator Westman commented that the State's Stabilization Reserve [Rainy Day Fund] of 5% seemed low in relation to other states' reserve funds. He requested the Administration gather further data from the National Conference of State Legislatures' (NCSL) on what percentage all other states legislated for reserves. He further added that since the Administration anticipated additional one-time funds in 2019, it would be an appropriate time to add to reserves.

The Chair requested a sheet of all the various State reserves with the statutory citations and the amounts currently in each reserve fund. Senator Westman added that it should include a comparison of Vermont to other states. Representative Ancel and Senator Kitchel asked that since the Education Funds' statutory amount for reserves could drop to as low as 3.5%, whether that amount was realistic or if it should be increased to 5%. Commissioner Greshin stated that the Administration's recommendation was to set the statutory reserve for the Education Fund at a flat 5%. Senator Cummings commented that if the Legislature planned to move from a property tax to an income tax for education spending, there should be a tandem conversation of the increased volatility for the Education Fund and its reserves.

#### 5. Movement of Staff Employees (National Life, Dill Building-Berlin, and Barre City Place)

Chris Cole, Commissioner, Department of Buildings & General Services, explained that National Life Group requested that the State reduce its footprint within the Montpelier building over a year ago. Since then, there has been a lot of shuffling of departments to accommodate the request, but a fire on June 2 of this year contaminated the fourth floor with smoke and water damage along with water damage on the second and third floor of the building. This caused further shuffling of about 400 State employees. The Agency of Transportation housed all its staff within current workspaces throughout central Vermont but because those spaces were temporary, those staff were then moved to a more permanent location in Barre City on an empty leased floor of the Barre City Place building where the Department for Children and Families' (DCF) Family Services Division had once resided in 2016. The lease on the space was signed in 2012 for ten years for the Agency of Education and DCF.

The National Life second and third floors of the East wing were back online, with some of the previous furniture being moved back, but additional furniture had to be purchased after water and soot damage from the fire. The National Life Group oversaw the fire remediation and had discovered challenges with finding laborers in the areas to recover the office spaces. The Agency of Transportation (AOT) has requested to move to the Barre City Place permanently, and to accomplish this, the Agency of Education would swap its space from the Barre City Place to the 5<sup>th</sup> floor of National Life, which was unaffected by the fire and where AOT is now located. AOE would also share the 4<sup>th</sup> floor of National Life with the Department of Environmental Conservation (DEC), and DEC would occupy all the 3<sup>rd</sup> floor of National Life.

Senator Kitchel added that the intent of the employee and office moves was to co-locate agencies and departments to better facilitate work, but AOT would now be in two different locations. Representative Toll showed concern for the exorbitant amount of cost for furniture in FY19 due to department moves. She then inquired if BGS could use existing furniture instead of buying new. The Chair asked what the fiscal impact would be with the moves. Commissioner Cole responded that the furniture destroyed by the water, smoke, and fire would be covered through the insurance from the State's furniture lease payment to the National Life Group. The Commissioner was not able to provide a fiscal review of the project but would have further information in a couple of weeks. The goal was to have no additional costs to the State budget by using some accrued savings from previous move budgets.

Senator Kitchel asked if the State had been paying for empty leased space, and the Commissioner confirmed an annual cost of \$242k a year for 3 years. Senator Cummings added that there would be fewer State employees and less leased space because the National Life Group requested the State reduce its footprint in the building to allow for National Life Group to expand. The Commissioner agreed.

#### 6. Tax Computer System Modernization Fund Report

Craig Bolio, Deputy Commissioner, Department of Taxes, referred to the [Tax Computer System Modernization Fund Report](#) and suggested that the Fund be scaled back now that the project was near completion. The Tax Computer Modernization Fund (CMF) was created in 2007 to provide a funding mechanism for the new Vtax system. The system has generated a total of \$24 million in benefits to the General Fund, Education Fund, and other Special Funds. Currently, the CMF was producing more benefits than needed to offset project maintenance and support.

Mr. Bolio announced that the \$26 million contract to the vendor, FAST Enterprises, had been paid off. He suggested the benefits to the CMF could be scaled back from 80% to 40% retention rate. The Department would continue to pay the vendor for maintenance costs through the 40% revenue to the fund and continue to invest in additional projects. One project being considered is a Grand List system that would organize and streamline education property tax information and payments between the Department and the local governments. Mr. Bolio stated that, by reducing the percentage of benefits to the CMF prior to Sec. E.111.1 of Act 11 of Special Session 2018 July 1, 2024 sunset, more funds would be available to other State funding areas with enough for the Vtax maintenance contract and future projects.

C. Grants – 1. – JFO #2933 – Centers for Disease Control & Prevention to the Vermont Department of Health

Julie Arel, Director of Health Promotion and Disease Prevention, and Brad O'Connor, Grants Manager, Department of Health, gave their backgrounds, and Ms. Arel summarized the grant. The 5-year grant focuses on diabetes and cardiovascular disease. There was a previous 5-year grant that was similar with \$1 million annual funding that included obesity prevention and school health. The new grant had increased funding of \$1.5 million annually over the 5 years that was mostly subgranted out through community partner efforts. Representative Fagan inquired of the funds held aside for personnel and operating costs. Ms. Arel responded that a good amount of staff time was required for contracting with the multiple community partners. The grants manager worked with OneCare, Blueprint, and DVHA to coordinate work and ensure there was no duplication of grants. There were two content specialists managing all 22 of the awards that evaluated the effectiveness of the program. The \$300k in salaries noted in the grant was for the grant manager and the two content specialists.

Senator Kitchel asked if the Department was targeting any of the prevention grant toward tobacco cessation. Ms. Arel stated the Department would do its best to leverage funds toward tobacco prevention while supporting people in nutrition. Senator Kitchel then stated that it was alarming that Vermont had the highest number of pregnant women who smoked in the nation. The Legislature will be very interested to hear in the FY20 department budget testimony of how the FY18 and FY19 appropriated funds were targeted toward this very high-risk population. Ms. Arel responded that the Department implemented a pilot program in Rutland County where the highest population of pregnant women who smoked lived. Due to the positive results from the pilot, the Department has since expanded the program.

Representative Fagan moved the approval of the grant, and Senator Kitchel seconded the motion. The Committee approved the motion and grant.

2. JFO #2934 – Substance Abuse and Mental Health Services Administration (SAMHSA) to the Agency of Education

Jennifer Gresham, Division Director of Federal Education and Support Services, Agency of Education, and Tracy Mongeon, Children's Mental Health Care Manager, Department of Mental Health, summarized the grant. Ms. Gresham explained it was a new coordinated service grant that embedded within schools mental health clinicians who would provide additional training to teachers on how to support their students. The clinicians would also assist in developing protocols for student screening and build off currently provided services. Representative Toll asked if the Department identified the three supervisory unions where coordinated services would be located. Ms. Gresham stated Orleans Southwest, greater Rutland County, and Addison [sic] Supervisory Unions. Representative Fagan asked for clarification on the Rutland Supervisory Union. Ms. Gresham explained that the grant did not include the Rutland City public schools.

The Chair inquired of the rationale for choosing those specific supervisory unions to pilot for the grant program. Ms. Gresham responded the grant was limited to three Supervisory Unions because of a capacity issue for funding and staffing. Therefore, the Agency went to the Supervisory Unions that had identified themselves in need and already had Designated Agencies

with the proper supports in place for coordination with the schools. The Chair asked when a report would be available to other school districts on lessons learned from the pilot program. Ms. Gresham stated the Agency would be collecting a significant amount of data in the first year and planned to add schools each year and then additional Supervisory Unions in later years if the pilot was successful.

Senator Westman asked if the Agency's goal from the pilot was to be able to recommend a standardized model of statewide shared mental health services within designated agencies and school districts. Senator Kitchel added that the State was investing millions of dollars into the school-based health services and through Designated Agencies. She suggested that the Agency review the current baseline for investment of services, what were the expectations for outcomes to improve services, and how does the State address mental health services for students in a more uniform way that includes suicide and drug and alcohol use. Ms. Gresham responded that the grant had two components. One component enabled the Agency to partner with the Vermont Suicide Prevention Center's *Umatter* program to subcontract services in schools, as well as youth mental health [sic] in those areas that would train staff in the schools and community members about mental health. Another component of the grant would integrate specific framework, in the three pilot regions, for an improved and enhanced version of the current Agency's Multi-tiered System of Supports (MTSS) in Vermont Public Schools model.

Representative Lippert inquired if high-risk students such as LGBTQ youth were actively included in the grant. Ms. Gresham agreed with the member's concerns, and explained it was important for the schools to make decisions on how to use the grant funds in the best manner for their own schools. Representative Toll inquired if the Agency/schools would need additional funding later after the grant ended in 5 years to continue the work. Ms. Gresham responded that the Agency planned to reuse current funds from Success by Six or other funds already available in the State budget.

Senator Kitchel asked if the Legislature would receive annual outcome and performance measures from the grant program. Mr. Gresham stated yes. Senator Kitchel made a motion to accept the grant. Representative Fagan seconded the motion, and the Committee approved the motion and grant.

#### D. Fiscal Officers Report – 1. Legislature's Budget Update

Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office, highlighted areas of the [Fiscal Officer's Report](#). He explained that the Legislature's budget would not be ready until January because the Office was awaiting recommendations from the National Council of State Legislature's (NCSL) on staffing capacity, possible salary adjustments, and/or cost shifts from modernizing the Legislature's human resources capacity. Representative Lippert asked if the Office anticipated salary increase recommendation from the NCSL study for legislative staff. Mr. Klein responded that the Legislative Council Office had already built in some funding for salary increases in lieu of the NCSL recommendations, but that amount may need to be adjusted once the final report was released. The larger question was whether NCSL would recommend structural changes that could centralize the Information Technology team or add a human resources director. Those larger changes would need to be included in the Legislature's budget for approval if the Legislature agrees with the report recommendations.

## 2. Decarbonization Study Update

Mr. Klein informed the Committee that the Office added Michael Dworkin and Richard Cowart of the [Regulatory Assistance Project \(RAP\)](#) in a very limited capacity to broaden the scope of nonpricing strategies of the Decarbonization Study. Catherine Benham, Associate Fiscal Officer, Joint Fiscal Office, added that RAP and Resources for the Future (RFF) would collaborate on the study to broaden the report recommendations.

## 3. Tax Deductibility for Legislators

Mr. Klein explained that the federal government eliminated the tax deductibility for travel expenses for legislators traveling over 50 miles. There may be a more in-depth memo sent to Legislators from the Legislative Council. The Chair inquired if the new federal tax policy was for just travel expenses and if so, how were travel expenses defined. Mr. Klein stated that Legislative Council was currently doing the research on the policy and were best to answer questions on the federal tax changes. Ms. Benham added that the law affected the current 2018 expenses. The Chair directed the Council, through the JFO, to send the memo as soon as possible to clarify questions from members.

## 4. State Employees and Teachers' Retirement.

Mr. Klein informed the Committee that the State Treasurer recommended a higher contribution to the State Teachers' Retirement System than the actuarial request. One-time or ongoing funds in the FY19 budget may be needed to cover these costs.

## 5. Basic Needs Budgets and Livable Wage Report

Dan Dickerson, Fiscal Analyst, Joint Fiscal Office, referred to a memo attached to the Fiscal Officers' Report and sent earlier to the Committee regarding proposed methodology changes to the 2019 Basic Needs Budgets and Livable Wage report. With the report turning 20 years old in 2021, the Office recommended a comprehensive review for possible updates to the report through a technical advisory council. An example would be to consider including college debt in the methodology. Representative Ancel handed out the [relevant statutory language for the report](#).

Nolan Langweil, Senior Fiscal Analyst, Joint Fiscal Office, explained a proposed methodology change on how out-of-pocket (OOP) dental costs are calculated in the Basic Needs Report. Recently, the Office received better data from Northeast Delta Dental. These costs increase OOP costs to individuals and families significantly. Mr. Langweil cautioned the Committee that even though it was better data, there were still some outliers within the data that could slightly inflate some areas of coverage. Senator Kitchel asked if the new data would be more reflective of children in families with income over the 300% poverty level and not covered under Dr. Dynasaur. Mr. Langweil responded that the coverage was somewhat captured in the estimates, but not completely. He suggested that there could be additional reflection in the narrative of the report. Mr. Klein suggested that in reviewing the report and its methodology there may be additional fine-tuning moving forward.

Mr. Dickerson explained the Office suggested continuing the use of 2009 National Household Travel Survey (NHTS) data instead of the 2017 information because the newer data had some large fluctuations that the Office questioned. The Office suggested the new advisory

council review various data and recommend the best information for future reports. The Office proposed a methodology change to merge travel data to include respondents from urban clusters. An urban cluster, per the census bureau, was an area of 2,500k to 50k inhabitants, such as Montpelier. Senator Westman asked why the merging of data was beneficial to the report. Mr. Dickerson responded that having the additional data samples would make the report more reflective and accurate of actual travel costs.

Senator Westman moved to accept the basic needs budget methodology changes proposed by the Joint Fiscal Office in its memo dated November 6, 2018, and to support the creation of a technical advisory council during the upcoming biennium, either through legislation or another means, to collaborate with the Joint Fiscal Office on a thorough review of the basic needs budget and livable wage study to recommend potential changes. Representative Fagan seconded the motion, and the Committee approved it.

#### 6. Grant Approval Process Statute Issues

Mr. Dickerson summarized a memo attached to Fiscal Officer's report on statute issues with the grant approval process. Senator Kitchel added that the issue was raised during a previous grant review that showed the process was not clear.

Rebecca Wasserman, Legislative Counsel, referred to a [list of possible scenarios](#) in which some grants may prove to be problematic with the current grant process. Mr. Dickerson reviewed some of the examples for problematic grants that the Office encountered. Ms. Wasserman added that there is only one instance in statute that allows for the Joint Fiscal Committee to have the authority to adopt policies within the expedited approval process, and she suggested adding language to allow more flexibility for adopting policies.

The Chair asked that a drafting request be prepared and given to the Committee members for review, and the Committee agreed.

#### E. Moody's Downgrade to Vermont's Bond Rating

Beth Pearce, Vermont State Treasurer, distributed a packet of information on Vermont's bond rating and explained that Vermont was rated AAA by the FitchRatings Corporation and AA+ with Standard and Poor, but Moody's recently downgraded Vermont's bond rating from AAA to Aa1. Issues raised in [Moody's rating action](#), included Vermont's demographics and aging workforce. [In addition, the National Association of State Treasurers revised the U.S. States Rating Methodology](#) for the States governance criteria. The revision changed the weightings and factors of the economy, pensions, and governance of states, which affected smaller states such as Vermont.

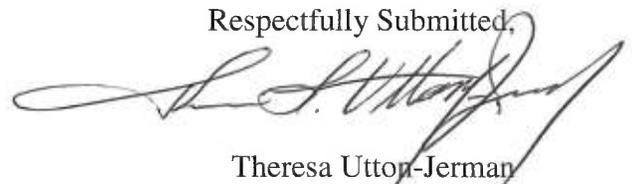
The Treasurer explained that Vermont historically has used \$150 million as its capacity bond amount. Scott Baker, Director of Financial Reporting, Office of the State Treasurer, added that in 2019 the State could issue as much as \$108 million in bonds. Representative Ancel suggested a more realistic bond amount be used in future analysis and there be a common understanding of how to present information on the fiscal impact of bond ratings; the Treasurer agreed.

Treasurer Pearce explained that Moody's was concerned about Vermont's slower-than-average economic growth relative to Growth Domestic Product (GDP) and the impact of paying down long-term liabilities. The Treasurer commended the Legislature for investing additional funds for paying down the retirement debt in FY 2019, then referred to a presentation with historical data of the State underfunding the Actuarially Required Contribution (ARC), and its progress for moving forward with a 30-year plan. Vermont was working toward paying off its long-term debt with the coordination of its teachers and State employees, but Moody's rating action was a wake-up call to the State to deal with its workforce and demographic issues or risk losing AAA ratings with Standard and Poor and FitchRatings.

Representative Ancel asked for the dollar amount associated with \$100 million capacity bond for 20 years. Catherine Benham, Associate Fiscal Officer, Joint Fiscal Office, responded the State was at 2/3 of the \$150 million bond cap which cost the State \$650k a year for 20 years. Treasurer Pearce stated her Office would send the Committee a one-page description of the fiscal implications of the bond rating downgrade. Representative Toll commented that even though Vermont was the best-rated State in New England, it could not afford to have another downgrade and put its bond rating at risk. Representative Lippert asked if the Treasurer could include a clarification in the All Legislative Briefing later in the month on the downgrade and its fiscal impacts to dispel the incorrect information in the media.

The Committee adjourned at 12:25 p.m.

Respectfully Submitted,



Theresa Utton-Jerman  
Legislative Joint Fiscal Office





B.6

**State of Vermont**  
**Department of Taxes**  
133 State Street  
Montpelier, VT 05633-1401

*Agency of Administration*

**TO:** The Joint Fiscal Committee

**FROM:** Craig Bolio, Deputy Commissioner, Department of Taxes

**DATE:** November 8, 2018

**SUBJECT:** Annual Report on the Tax Computer System Modernization Fund (CMF)

**CC:** Kaj Samsom, Adam Greshin

The Tax Computer Modernization Fund (CMF) was created in 2007 to establish a funding mechanism to modernize the old IT systems (legacy systems) used by the Department of Taxes (Tax). The fund is replenished by “benefits” of the VTax system – enhanced collection and compliance activity above what the legacy systems produced. Vermont law dictates that 80% of the benefits remain in the CMF for use by Tax to fund modernization projects, and 20% are sent to the fund the revenue was originally intended for in a lump sum transfer in June.

The VTax project had its fourth and final conversion on November 3, 2017. Tax is now administering all its tax types through one system. We have established a VTax support team that includes tax subject matter experts, state developers, and vendor (FAST Enterprises) developers. The support team continues to improve the system and update it, installing two main software patches per year, and making dozens of smaller ad-hoc improvements each quarter.

The VTax system has created \$23.9 million in measurable benefits, and over \$4 million of those benefits have been reallocated back to the General, Education, and various special funds. In October, Tax made a final payment to FAST of \$5.09 million to pay the remaining implementation portion of the FAST contract. Tax will continue to make maintenance payments that give the Department access to patches and software upgrades from the vendor. In addition to the VTax project, the CMF is currently paying for the scanning system upgrade project awarded to Fairfax Imaging. Tax has accumulated enough money in the CMF to pay for the remaining Fairfax invoices to be received over the next year.

The CMF will continue to accumulate enhanced collection and compliance funds at the 80% retention rate until 2024. Outside of Tax’s current spending authority that covers these projects, Tax will be required to seek additional spending authority from the Legislature to draw from this fund. Given the current landscape, Tax intends to ask the Legislature to scale back the CMF and consider three ideas in the upcoming 2019 session that would take effect on July 1, 2020.





**State of Vermont**  
**Department of Taxes**  
133 State Street  
Montpelier, VT 05633-1401

*Agency of Administration*

- 1) Tax proposes to reduce the percentage of enhanced collections that the CMF receives from its current 80% rate to 40%.
- 2) Tax proposes to eliminate the practice of shifting all benefits to the CMF and returning a portion to other funds at FY end. Only the percentage that the CMF is owed would be transferred in. This is administratively more efficient, and it will ensure that the other funds have more revenue sooner.
- 3) Tax will request spending authority to pay for continued modernization expenses as outlined below.

Tax has identified several costs that would be appropriate to fund with the CMF.

- 1) **IT-Related implementation costs.** Act 208 of the 2018 legislative session tasked the Department with collection of unredeemed bottle deposits from deposit initiators for the clean water fund. That tax is set to take effect on January 1, 2020, and the Department has not received an appropriation to pay for the implementation. The CMF could be used for similar costs in the future as well.
- 2) **Economic microsimulation software.** The Tax Department and Joint Fiscal Office incur numerous expenses related to the use of Chainbridge economic simulation/modeling software. There is an additional software module the State could purchase to enhance the State's policy modeling and revenue forecasting efforts, and the data maintenance for this model requires semi-annual expenditures.
- 3) **Grand list management software.** This FY, the Department intends to issue an RFP for grand list management software. This project would modernize the computer systems that oversee much of the state's collection of more than \$1 billion in education taxes. This project has been reviewed by the Agency of Digital Services and they are working with Tax to draft the RFP.

These proposals would ensure that Tax continues to have a reliable and efficient revenue collection infrastructure. Tax is hopeful that the Legislature will work with the Department to enact these proposals into law during the upcoming 2019 session.





**State of Vermont**  
**Department of Taxes**  
133 State Street  
Montpelier, VT 05633-1401

*Agency of Administration*

**CMF Balances**

<b>Enhanced revenue (via VTax through 09/30/2018):</b>	\$23.9m
<b>Distribution:</b>	
FAST Benefit Payments	\$15.9m
Transfers to Originating Funds	\$4.1m
Fairfax Imaging Payments	\$0.3m
<b>Current CMF Balance:<sup>1</sup></b>	\$5.2m
Earmarked for FYE 2019 transfer	\$0.65m
Future Fairfax Imaging Invoices	\$0.65m
Remaining balance	\$3.9m

<sup>1</sup> Current CMF fund balance reflects accrued interest and potential residual funds from prior projects.



1

ONE BALDWIN STREET  
MONTPELIER, VT 05633-5701



C.  
PHONE: (802) 828-2295  
FAX: (802) 828-2483  
WEBSITE: [www.leg.state.vt.us/jfo/](http://www.leg.state.vt.us/jfo/)

**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL OFFICE

TO: Joint Fiscal Committee  
FROM: Joint Fiscal Office (Dan and Theresa)  
RE: Grants for Review at November Meeting

Enclosed are Grants #2934 and #2933 for review. A request was made to have these grants added to the November 8<sup>th</sup> meeting agenda for action. Please let us know if you have questions.

Thank you



STATE OF VERMONT  
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee members  
From: Daniel Dickerson, Fiscal Analyst *DD*  
Date: October 19, 2018  
Subject: Position and Grant Requests – JFO #2932 - #2934

Enclosed please find three (3) items, including three (3) limited-service positions, which the Joint Fiscal Office has received from the Administration.

**JFO #2932** – \$947,877 from the Federal Emergency Management Agency to the VT Dept. of Public Safety. The funds are part of the federal FY17 pre-disaster mitigation grant program. Several sub-grants make up the total grant funding. Some of the funding will be utilized for land buyouts in Brandon and Wardsboro, some will be used for other mitigation projects, while the remainder will stay within Vermont Emergency Management to support local hazard mitigation plan development and review. The 25% local match requirement will be covered by municipalities with no State funding required. Of the total grant funding, \$473,938 would be allocated for use in State FY2019.  
*[JFO received 10/10/18]*

**JFO #2933** – \$7,583,030 from the Centers for Disease Control & Prevention to the VT Dept. of Health. The broad purpose for the grant funding is to improve prevention and management of diabetes and cardiovascular disease in rural high-risk populations throughout Vermont. **Two (2) limited-service positions are requested in association with this grant.** The positions are titled Public Health Specialist and Public Health Analyst respectively and would assist in administering the grant functions during the five-year funding period. Approximately half of the annual grant funding of \$1,516,606 would cover direct and indirect personal services and operating costs, while the remainder, \$846,000, would go out as sub-grants to participating health centers throughout the state.  
*[JFO received 10/17/18]*

**JFO #2934** – \$8,211,854 from the Substance Abuse and Mental Health Services Administration (SAMHSA) to the Vermont Agency of Education. The funds will be used to support Vermont Project AWARE (Advancing Wellness and Resilience Education). This will be a joint effort between AOE, the VT Dept. of Mental Health, and three community supervisory unions (SU): Orleans Southwest SU, Addison Rutland SU, and Greater Rutland County SU. The broad aims of the project will be to promote ongoing state and local collaboration regarding mental health best practices in schools, enhance wellness and resiliency skills for school-age youth, and support system improvements for school-based mental health services. **One (1) limited-service position is requested in association with this grant.** The position is titled Education Consultant II. This is a five-year grant program and \$942,945 of grant funding would be utilized in the remainder of State FY2019.  
*[JFO received 10/19/18]*



JFO 2933

RECEIVED

Agency of Administration

OCT 17 2018

JOINT FISCAL OFFICE

State of Vermont  
Department of Finance & Management  
109 State Street, Pavilion Building  
Montpelier, VT 05620-0401

[phone] 802-828-2376  
[fax] 802-828-2428

STATE OF VERMONT  
FINANCE & MANAGEMENT GRANT REVIEW FORM

<b>Grant Summary:</b>	This is a cooperative agreement from CDC with the objective of prevention and managing diabetes, heart disease and stroke in rural areas.				
<b>Date:</b>	9/19/2018				
<b>Department:</b>	Agency of Human Services – Department of Health				
<b>Legal Title of Grant:</b>	Statewide multi-level health systems and community-clinical linkages approaches to prevent and manage Diabetes and Cardiovascular Disease, with emphasis on rural, low income high burden populations.				
<b>Federal Catalog #:</b>	93.426				
<b>Grant/Donor Name and Address:</b>	Department of Health and Human Services Centers for Disease Control and Prevention Office of Financial Resources 2920 Brandywine Road, Atlanta, GA 30341				
<b>Grant Period:</b>	<b>From:</b>	9/30/2018	<b>To:</b>	6/29/2023	
<b>Grant</b>	\$1,516,606				
	SFY 1	SFY 2	SFY 3	Total	Comments
<b>Grant Amount</b>	\$1,516,606	\$1,516,606	\$1,516,606	\$7,583,030	Funding for SFY 4 and SFY 5 is anticipated.
<b>Position Information</b>	# Positions		Explanations/Comments		
	2		Limited Service Position Request Included		
<b>Additional Comments</b>	See attached grant abstract				

<b>Department of Finance &amp; Management</b>		(Initial)
<b>Secretary of Administration</b>		(Initial)
<b>Sent to Joint Fiscal Office</b>	10/15/18	Date



OCT 15 2018  
OCT 05 2018

**STATE OF VERMONT REQUEST FOR GRANT (\*) ACCEPTANCE (Form AA-1)**

BASIC GRANT INFORMATION				
<b>1. Agency:</b>	Agency of Human Services			
<b>2. Department:</b>	Health			
<b>3. Program:</b>	Health Promotion and Chronic Disease Prevention			
<b>4. Legal Title of Grant:</b>	Statewide multi-level health systems & community-clinical linkage approaches to Prevent & Manage Diabetes & Cardiovascular Disease with emphasis on rural low-income high burden populations			
<b>5. Federal Catalog #:</b>	93.426			
<b>6. Grant/Donor Name and Address:</b>	Department of Health & Human Services, Centers for Disease Control & Prevention			
<b>7. Grant Period:</b>	<b>From:</b>	9/30/2018	<b>To:</b>	6/29/2023
<b>8. Purpose of Grant:</b>	Improve prevention and management of diabetes and cardiovascular disease in rural high-burden populations throughout Vermont.			
<b>9. Impact on existing program if grant is not Accepted:</b>	This grant replaces a similar federally funded program. If this grant is not accepted, the program would be discontinued.			
10. BUDGET INFORMATION				
	<b>SFY 1</b>	<b>SFY 2</b>	<b>SFY 3</b>	<b>Comments</b>
<b>Expenditures:</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	
Personal Services	\$627,198	\$627,198	\$627,198	Grant award funds two additional years at same level.
Operating Expenses	\$43,408	\$43,408	\$43,408	
Grants	\$846,000	\$846,000	\$846,000	
<b>Total</b>	<b>\$1,516,606</b>	<b>\$1,516,606</b>	<b>\$1,516,606</b>	
<b>Revenues:</b>				
State Funds:	\$0	\$0	\$0	
		0	0	
Federal Funds:	\$1,516,606	\$1,516,606	\$1,516,606	
(Direct Costs)	\$1,322,474	\$1,322,474	\$1,322,474	
(Statewide Indirect)	\$11,648	\$11,648	\$11,648	
(Departmental Indirect)	\$182,484	\$182,484	\$182,484	
		0	0	
Other Funds:	\$0	\$0	\$0	
<b>Total</b>	<b>\$1,516,606</b>	<b>\$1,516,606</b>	<b>\$1,516,606</b>	
<b>Appropriation No:</b>	3420010000	<b>Amount:</b>	\$91,242	
	3420021000		\$1,425,364	
		<b>Total</b>	<b>\$1,516,606</b>	
<b>Has current fiscal year budget detail been entered into Vantage?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

09/20/18

**STATE OF VERMONT REQUEST FOR GRANT (\*) ACCEPTANCE (Form AA-1)**

**PERSONAL SERVICE INFORMATION**

**11. Will monies from this grant be used to fund one or more Non -Personal Service Contracts?**  Yes  No  
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: Mark A. Levine MD, Commissioner    Agreed by: e-Signed by Mark Levine on 2018-09-18 21:01:29 (initial)

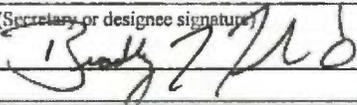
12. Limited Service Position Information:	# Positions	Title
	1	Public Health Specialist AC: Chronic Disease Prevention
	1	Public Health Analyst I
<b>Total Positions</b>	<b>2</b>	

**12a. Equipment and space for these positions:**     Is presently available.     Can be obtained with available funds.

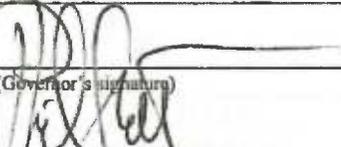
**13. AUTHORIZATION AGENCY/DEPARTMENT**

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):	Signature: <small>e-Signed by Mark Levine on 2018-09-18 21:01:29 GMT</small>	Date:
	Title: <b>Commissioner of Health</b>	
	Signature: 	Date: 9-28-18
	Title: <b>Secretary of Human Services</b>	

**14. SECRETARY OF ADMINISTRATION**

<input checked="" type="checkbox"/> Approved:	(Secretary or designee signature) 	Date: 10/9/18
---	---	---------------

**15. ACTION BY GOVERNOR**

<input checked="" type="checkbox"/> Check One Box: Accepted	(Governor's signature) 	Date: 10/12/18
<input type="checkbox"/> Rejected		

**16. DOCUMENTATION REQUIRED**

**Required GRANT Documentation**

<input checked="" type="checkbox"/> Request Memo	<input type="checkbox"/> Notice of Donation (if any)
<input type="checkbox"/> Dept. project approval (if applicable)	<input type="checkbox"/> Grant (Project) Timeline (if applicable)
<input checked="" type="checkbox"/> Notice of Award	<input type="checkbox"/> Request for Extension (if applicable)
<input type="checkbox"/> Grant Agreement	<input type="checkbox"/> Form AA-1PN attached (if applicable)
<input checked="" type="checkbox"/> Grant Budget	

**End Form AA-1**

(\*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).



**Department of Health  
Business Office**  
108 Cherry Street – PO Box 70  
Burlington, VT 05402-0070  
**HealthVermont.gov**

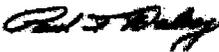
[phone] 802-863-7736

*Agency of Human Services*

**MEMORANDUM**

19 September 2018

**TO:** Sarah Clark, Chief Fiscal Officer  
Agency of Human Services

**FR:** Paul Daley, Financial Director   
Vermont Department of Health

**Re:** Cooperative Agreement to Improve the Health of Americans Through Prevention &  
Management of Diabetes, Heart Disease, and Stroke

I'm enclosing a complete AA-1 package for your review and AHS Secretary signature. Please let me know if you have any questions.

This package includes a limited service position request, so the next destination is:

Aimee Pope, Classification and Compensation Manager  
DHR Classification  
120 State Street-5th Fl  
Montpelier, VT, 05620-2505



**OCT 05 2018**

## Grant Abstract

The purpose of this grant is to focus on prevention and improved management of diabetes and cardiovascular disease and referrals to evidence-based self-management programming through strategic partnerships with statewide health delivery organizations and targeted health systems partnerships in rural, high burden locations. Targeted populations include Vermonters living with disabilities, who are older, low income, Native American, and New American. The selected strategies will be supported by development of a statewide Community Health Worker model and pharmacist integration into VT's health systems. This approach represents a balance of broad systems-based strategies, clinical interventions in targeted settings with high need populations, and clinical-community referrals that reach the public and targeted populations across the state.

The grant award will fund the following activities:

- Embed e-referral prompt in care coordination platform
- Develop peer to peer program for minority populations
- Expand successful SASH programs to all panels
- Sub-award to practices to improve care systems
- Develop and pilot protocol for utilizing practice-embedded pharmacists for diabetes Medication Therapy Management
- Lead marketing campaign to expand National Diabetes Prevention Program (DPP)
- Build infrastructure for and pilot a formal Community Health Worker program
- Sub-award to practices and community partners to explore non-physician-based strategies
- Pilot involvement of embedded pharmacist
- Implement self-measurement of Blood Pressure with practices
- Environmental scan of Hypertension management resources

The project goals include:

- Increased access to & coverage for ADA-recognized/AADE-accredited diabetes self-management education & support programs for people with diabetes
- Increased use of pharmacist patient care processes that promote medication management for people with diabetes
- Increased access to & coverage for the National DPP lifestyle change program for people with prediabetes
- Increased community clinical links that facilitate referrals & provide support to enroll & retain participants in the National DPP lifestyle change program
- Increased reporting, monitoring, & tracking of clinical data for improved identification, management, & treatment of patients with high blood pressure & high blood cholesterol
- Increased use of & adherence to evidence-based guidelines & policies related to team-based care for patients with high blood pressure & high blood cholesterol
- Increased community clinical links that support systemic referrals, self-management, & lifestyle change for patients with high blood pressure & high blood cholesterol

1. DATE ISSUED MM/DD/YYYY 08/21/2018 | 2. CFDA NO. 93.426 | 3. ASSISTANCE TYPE Cooperative Agreement

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**Centers for Disease Control and Prevention**  
**CDC Office of Financial Resources**  
 2920 Brandywine Road  
 Atlanta, GA 30341

1a. SUPERSEDES AWARD NOTICE dated  
 except that any additions or restrictions previously imposed remain  
 in effect unless specifically rescinded

4. GRANT NO. 1 NUS8DP006529-01-00  
 Formerly

5. ACTION TYPE New

6. PROJECT PERIOD MM/DD/YYYY  
 From 09/30/2018 Through 06/29/2023

7. BUDGET PERIOD MM/DD/YYYY  
 From 09/30/2018 Through 06/29/2019

**NOTICE OF AWARD**

AUTHORIZATION (Legislation/Regulations)  
 301(a) and 317(k)(2) of the Public Health Service Act, [42 U.S.C. Section  
 241(a) and 247b(k)(2)], as amended.

8. TITLE OF PROJECT (OR PROGRAM)  
 Statewide multi-level health systems and community-clinical linkages approaches to prevent and manage  
 Diabetes and Cardiovascular Disease, with emphasis on rural, low income high burden populations.

9a. GRANTEE NAME AND ADDRESS  
 Human Services, Vermont Agency Of  
 Alternate Name: Vermont Agency of Human Services  
 280 State Dr  
 Waterbury, VT 05671-9501

9b. GRANTEE PROJECT DIRECTOR  
 Ms. Nicole Lukas  
 208 Hurricane Lane  
 Williston, VT 05495-2069  
 Phone: 802-651-1612

10a. GRANTEE AUTHORIZING OFFICIAL  
 Mr. Paul Daley.  
 108 Cherry St.  
 Burlington, VT 05401-9962  
 Phone: 802-863-7284

10b. FEDERAL PROJECT OFFICER  
 Loretta L. Lawton  
 4770 Buford Hwy  
 Chamblee, GA 30341  
 Phone: 770-488-8290

**ALL AMOUNTS ARE SHOWN IN USD**

11. APPROVED BUDGET (Excludes Direct Assistance)

I Financial Assistance from the Federal Awarding Agency Only

II Total project costs including grant funds and all other financial participation

a. Salaries and Wages .....	298,666.00
b. Fringe Benefits .....	134,400.00
c. Total Personnel Costs .....	433,066.00
d. Equipment .....	0.00
e. Supplies .....	10,768.00
f. Travel .....	15,702.00
g. Construction .....	0.00
h. Other .....	16,938.00
i. Contractual .....	846,000.00
<b>j. TOTAL DIRECT COSTS</b> .....	<b>1,322,474.00</b>
k. INDIRECT COSTS .....	194,132.00
<b>l. TOTAL APPROVED BUDGET</b> .....	<b>1,516,606.00</b>
m. Federal Share .....	1,516,606.00
n. Non-Federal Share .....	0.00

12. AWARD COMPUTATION

a. Amount of Federal Financial Assistance (from item 11m)	1,516,606.00
b. Less Unobligated Balance From Prior Budget Periods	0.00
c. Less Cumulative Prior Award(s) This Budget Period	0.00
<b>d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION</b>	<b>1,516,606.00</b>
<b>13. Total Federal Funds Awarded to Date for Project Period</b>	<b>1,516,606.00</b>

14. RECOMMENDED FUTURE SUPPORT  
 (Subject to the availability of funds and satisfactory progress of the project):

YEAR	TOTAL DIRECT COSTS	YEAR	TOTAL DIRECT COSTS
a. 2	1,516,606.00	d. 5	1,516,606.00
b. 3	1,516,606.00	e. 6	
c. 4	1,516,606.00	f. 7	

15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:

a. DEDUCTION  
 b. ADDITIONAL COSTS  
 c. MATCHING  
 d. OTHER RESEARCH (Add / Deduct Option)  
 e. OTHER (See REMARKS)

b

16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:

a. The grant program legislation  
 b. The grant program regulations  
 c. The award notice including terms and conditions, if any, noted below under REMARKS.  
 d. Federal administrative requirements, cost principles and audit requirements applicable to the grant.

In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obligated from the grant payment system.

REMARKS (Other Terms and Conditions Attached -  Yes  No)

GRANTS MANAGEMENT OFFICIAL: Stephanie Latham

17. OBJ CLASS	41.51	18a. VENDOR CODE	1036000274B8	18b. EIN	036000264	19. DUNS	809376155	20. CONG. DIST.	00
FY-ACCOUNT NO.		DOCUMENT NO.		ADMINISTRATIVE CODE		AMT ACTION FIN ASST		APPROPRIATION	
21. a.	8-939ZQZH	b.	18NUS8DP006529	e.	DP	d.	\$758,303.00	e.	75-18-0948
22. a.	8-939ZRJF	b.	18NUS8DP006529	c.	DP	d.	\$758,303.00	e.	75-18-0948
23. a.		b.		c.		d.		e.	

Vermont Year One Diabetes and Cardiovascular Disease (1815) Budget  
 Narrative October 1, 2018 – June 30, 2019

A. Salaries and Wages

Health Systems Director	1.0	\$59,053
Public Health Program Administrator	1.0	\$42,628
Chronic Disease Program Specialist (new)	1.0	\$38,657
Public Health Analyst III	1.0	\$45,977
Evaluation Director	0.6	\$38,666
Public Health Analyst (new)	0.4	\$17,328
Chronic Disease Information Director	0.5	\$22,269
Admin Serv Coord I	1.0	\$34,088
<b>Total Salaries</b>	<b>6.50</b>	<b>\$298,666</b>

B. Fringe Benefits (45% of Salary)	\$ 134,400
C. Travel	\$ 15,702
D. Equipment	\$ 3,200
E. Supplies	\$ 7,568
F. Other	\$ 16,938
G. Contractual Costs	\$ 846,000

Diabetes: \$423,000

Cardiovascular disease (CVD): \$423,000

	Diabetes	CVD	Total
1. Cathedral Square (SASH)	\$40,000	\$30,000	\$70,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems and increase referrals to DSMES, NDPP, and approved lifestyle change programs, support pharmacist inclusion on teams, and participate in statewide CHW/infrastructure building.

2. Gifford Health Centers (FQHC)	Diabetes	CVD	Total
	\$30,000	\$10,000	\$40,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes outcomes, improve systems and increase referrals to DSMES, NDPP, and approved lifestyle change programs, and support pharmacist inclusion on teams.

3. Springfield Medical Care Systems	Diabetes	CVD	Total
	\$20,000	\$10,000	\$30,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes outcomes, expand pharmacist to PCP interaction and care coordination, improve systems and increase referrals to DSMES, NDPP, and approved lifestyle change programs, support pharmacist inclusion on teams, and participate in statewide CHW infrastructure building.

4. Northeastern Vermont Regional Hospital: Primary Care Practices	Diabetes	CVD	Total
	30,000	10,000	\$40,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, use embedded pharmacist to support self-measured BP and referrals to DSMES and lifestyle programs, improve systems and increase referrals to DSMES, NDPP, and approved lifestyle change programs, and participate in statewide CHW infrastructure building.

Name of Contractor: Porter Medical Center – Primary Care Practices

5. Porter Medical Center: Primary Care Practices	Diabetes	CVD	Total
	\$30,000	\$10,000	\$40,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems to refer and increase enrolment in DSMES, NDPP, and CDC approved lifestyle change programs, and assess opportunities to include pharmacists in team based care approaches.

6. Community Health Centers of Burlington	Diabetes	CVD	Total
	\$30,000	\$10,000	\$40,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems to refer and increase enrolment in DSMES, NDPP, and CDC approved lifestyle change programs, use embedded pharmacist to for team based care approaches and support of referrals to DSMES and CDC lifestyle programs, and participate in efforts to build a statewide CHW system. Training costs for staff to participate in Diabetes learning collaborative.

7. Northern Counties Medical Centers	Diabetes	CVD	Total
	\$30,000	\$10,000	\$40,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems to refer and increase enrolment in DSMES, NDPP, and CDC approved lifestyle change programs, use embedded pharmacist to for team based care approaches and support of referrals to DSMES and CDC lifestyle programs, and participate in efforts to build a statewide CHW system.

8. University of Vermont College of Nursing Faculty Practice Group (Appletree Bay PCP)	Diabetes	CVD	Total
	\$10,000	\$30,000	\$40,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems to refer and increase enrolment in DSMES, NDPP, and CDC approved lifestyle change programs, use community pharmacy to support team based care approaches and support of referrals to DSMES and CDC lifestyle programs.

9. Northern Tier Centers for Health (NOTCH) – FQHC	Diabetes	CVD	Total
	\$10,000	\$30,000	\$40,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems to refer and increase enrolment in DSMES, NDPP, and CDC approved lifestyle change programs, use embedded on-site pharmacy to support team based care approaches, support of referrals to DSMES and CDC lifestyle programs, and self-measured BP, and connections with SASH.

10. Mountain Health Center (FQHC)	Diabetes	CVD	Total
	\$7,500	\$27,500	\$35,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems to refer and increase enrolment in DSMES, NDPP, and CDC approved lifestyle change programs, explore local pharmacy connections to support team based care approaches, support of referrals to DSMES and CDC lifestyle programs, and self-measured BP, and connections with SASH.

11. Central VT Medical Center – primary care practices	Diabetes	CVD	Total
	\$10,000	\$30,000	\$40,000

Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems to refer and increase enrolment in DSMES, NDPP, and CDC approved lifestyle change programs, explore local pharmacy connections to support team based care approaches, support of referrals to DSMES and CDC lifestyle programs, and self-measured BP, connections with SASH, and opportunities to leverage external partnerships to support CHW activities.

12. Battenkill Health Center (FQHC)	Diabetes \$7,500	CVD \$27,500	Total \$35,000
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Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems to refer and increase enrolment in DSMES, NDPP, and CDC approved lifestyle change programs, explore local pharmacy connections to support team based care approaches, support of referrals to DSMES and CDC lifestyle programs, and self-measured BP, connections with SASH, and opportunities to leverage external partnerships to support CHW activities.

13. Little Rivers Health Centers	Diabetes \$7,500	CVD \$27,500	Total \$35,000
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Scope of Work: Support team based care approaches focused on high burden populations to improve diabetes and CVD outcomes, improve systems to refer and increase enrolment in DSMES, NDPP, and CDC approved lifestyle change programs, explore local pharmacy connections to support team based care approaches, support of referrals to DSMES and CDC lifestyle programs, and self-measured BP, connections with SASH, and opportunities to leverage external partnerships to support CHW activities.

14. Bi-State Primary Care	Diabetes \$20,000	CVD \$20,000	Total \$40,000
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Scope of Work: Collect measures and other required data via the QLIK data registry system, provide TA to selected FQHCs to support the Diabetes and CVD activities outlined in the workplan, convene participating FQHCs for quarterly meetings, and participate in the statewide efforts to create a CHW system in Vermont.

15. OneCare Vermont	Diabetes \$30,000	CVD \$30,000	Total \$60,000
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Scope of Work: 1) Work with VDH and Blueprint to determine how an embedded referral to the self-management programs should work and determine how it can embed in their Care Coordination platform. 2) Work with VDH and Blueprint to identify best practices for an e-enrolment system for self-management programs in Vermont, and identify capacity needed to create the e-enrolment system.

16. Department of VT Health Access/ Blueprint for Health	Diabetes \$5,000	CVD \$5,000	Total \$10,000
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Scope of Work: 1) Work with VDH and Blueprint to determine how an embedded referral to the self-management programs should work and determine how it can embed in their Care Coordination platform. 2) Work with VDH and Blueprint to identify best practices for an e-enrolment system for self-management programs in Vermont, and identify capacity needed to create the e-enrolment system.

17. University of Vermont Health Network – Community Health Improvement Division (CHI)	Diabetes \$10,000	CVD \$10,000	Total \$20,000
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Scope of Work: Work with Blueprint and VDH to assess data collection capacity, including measures collected, identification of gaps, assessment of database to store data, how this data can support CDC required measures, evaluation activities, and performance improvement.

18. HARK Media and Communications	Diabetes \$40,000	CVD \$40,000	Total \$80,000
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Scope of Work: Work with VDH, CHI, and Blueprint to conduct a needs assessment and develop a communications and media plan that will support building brand awareness of and promotions for CDSMP (including DSMES and NDPP), and developing materials and strategies to increase referrals to these programs in Vermont.

19. Evaluation contractor – JSI or NORC	Diabetes \$13,000	CVD \$13,000	Total \$26,000
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Scope of Work: The selected group will work with the staff evaluator to provide evaluation support for the proposed evaluation activities including focus groups, interviews, transcription services, and technical assistance.

20. Green Mountain Self- Advocates (GMSA)	Diabetes \$10,000	CVD \$10,000	Total \$20,000
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Scope of Work: GMSA will work with the Diabetes lead, Blueprint and CHI to identify peer advocates who will become trained to offer NDPP and DSMES and will serve as a peer to recruit and enroll in the programs.

21. Abnaki Nation	Diabetes \$7,500	CVD \$7,500	Total \$15,000
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Scope of Work: VDH will work with Chief Stevens of the Abnaki Nation to identify an appropriate range of activities to assess levels of awareness about diabetes, CVD, and the self-management programs, and to identify an appropriate community member to conduct outreach and recruit for these programs.

22. TBD – Community Health Worker Consultant/ Training/ Curricula Development	Diabetes \$25,000	CVD \$25,000	Total \$50,000
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Scope of Work: The selected group will work with the staff evaluator to provide evaluation support for the proposed evaluation activities including focus groups, interviews, transcription services, and technical assistance.

H. Construction	\$ 0
I. Total Direct	\$ 1,322,474
J. Indirect	\$ 194,132
K. Total	\$ 1,516,606

**STATE OF VERMONT  
Joint Fiscal Committee Review  
Limited Service - Grant Funded  
Position Request Form**

This form is to be used by agencies and departments when additional grant funded positions are being requested. Review and approval by the Department of Human Resources must be obtained prior to review by the Department of Finance and Management. The Department of Finance will forward requests to the Joint Fiscal Office for JFC review. A Request for Classification Review Form (RFR) and an updated organizational chart showing to whom the new position(s) would report must be attached to this form. Please attach additional pages as necessary to provide enough detail.

Agency/Department: Agency of Human Services / Health Department Date: 17 Sept 18

Name and Phone (of the person completing this request): Paul Daley, 802-863-7284

Request is for:

- Positions funded and attached to a new grant.  
 Positions funded and attached to an existing grant approved by JFO # \_\_\_\_\_

1. Name of Granting Agency, Title of Grant, Grant Funding Detail (attach grant documents):

Department of Health & Human Services, Centers for Disease Control & Prevention; Statewide multi-level health systems & community-clinical linkage approaches to prevent & manage Diabetes & Cardiovascular Disease with emphasis on rural, low-income, high burden populations.

2. List below titles, number of positions in each title, program area, and limited service end date (information should be based on grant award and should match information provided on the RFR) position(s) will be established only after JFC final approval:

<u>Title* of Position(s) Requested</u>	<u># of Positions</u>	<u>Division/Program</u>	<u>Grant Funding Period/Anticipated End Date</u>
Public Health Specialist AC: Chronic Disease Prevention	1	HPDP	9/30/2018 thru 6/29/2023
Public Health Analyst I	1	HPDP	9/30/2018 thru 6/29/2023

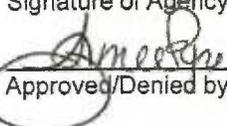
\*Final determination of title and pay grade to be made by the Department of Human Resources Classification Division upon submission and review of Request for Classification Review.

3. Justification for this request as an essential grant program need:

The positions are required to perform the activities of the grant as described in the Federal grant application budget.

I certify that this information is correct and that necessary funding, space and equipment for the above position(s) are available (required by 32 VSA Sec. 5(b)).

e-Signed by Mark Levine on 2018-09-18 21:01:29 GMT  9.25.18  
 Signature of Agency or Department Head Date

 10/4/18  
 Approved/Denied by Department of Human Resources Date

Approved/Denied by Finance and Management Date

Approved/Denied by Secretary of Administration Date

Comments:

*to 9/20/18*

**Request for Classification Action**  
**New or Vacant Positions**  
**EXISTING Job Class/Title ONLY**  
**Position Description Form C/Notice of Action**  
**For Department of Personnel Use Only**

Notice of Action # _____		Date Received (Stamp) _____
Action Taken _____		
New Job Title _____		
Current Class Code _____	New Class Code _____	
Current Pay Grade _____	New Pay Grade _____	
Current Mgt Level _____ B/U _____ OT Cat. _____ EEO Cat. _____ FLSA _____		
New Mgt Level _____ B/U _____ OT Cat. _____ EEO Cat. _____ FLSA _____		
Classification Analyst _____	Date _____	Effective Date: _____
Comments: _____		Date Processed: _____
Willis Rating/Components: _____	Knowledge & Skills: _____	Mental Demands: _____
	Working Conditions: _____	Accountability: _____
	Total: _____	

**Position Information:**

Incumbent: **Vacant or New Position**

Position Number: TBD Current Job/Class Title: Public Health Specialist AC: Chronic Disease Prevention

Agency/Department/Unit: AHS/Health/HPDP GUC: N/A

Pay Group: Classified Work Station: Burlington Zip Code: 05401

Position Type:  Permanent  Limited Service (end date) 6/30/2023

Funding Source:  Core  Sponsored  Partnership. For Partnership positions provide the funding breakdown (% General Fund, % Federal, etc.) 100% CDC Diabetes/Cardiovascular Disease Prev.

Supervisor's Name, Title and Phone Number: Nicole Lukas, Health Systems Director (802) 651-1612

Check the type of request (new or vacant position) and complete the appropriate section.

**New Position(s):**

a. **REQUIRED: Allocation requested: Existing Class Code** 441203 **Existing Job/Class Title:**  
Public Health Specialist AC: Chronic Disease Prevention

b. Position authorized by:

- Joint Fiscal Office – JFO #  Approval Date:
- Legislature – Provide statutory citation (e.g. Act XX, Section XXX(x), XXXX session)
- Other (explain) – Provide statutory citation if appropriate.

**Vacant Position:**

- a. Position Number:
- b. Date position became vacant:
- c. Current Job/Class Code:  Current Job/Class Title:
- d. REQUIRED: Requested (existing) Job/Class Code:  Requested (existing) Job/Class Title:
- e. Are there any other changes to this position; for example: change of supervisor, GUC, work station? Yes  No  If Yes, please provide detailed information:

**For All Requests:**

1. List the anticipated job duties and expectations; include all major job duties:  The individual in this position will conduct program planning and coordination activities at a professional level for a coordinated chronic disease prevention program. This position will also support projects and partnerships at the community level. Examples of work include collaboration with the Vermont Blueprint for Health, Accountable Care Organizations, other AHS departments. Focus areas will include development and maintenance of health system partnerships, diabetes and hypertension control and management initiatives, and efforts to link clinical services with community programming. This individual will be responsible for the development, administration, quality control, and evaluation of partner / sub-grantee agreements. Duties involve data and policy analysis, contributing to grant management activities, goal setting and workplan development, project implementation, grantee monitoring and evaluation, technical assistance to partners and grantees, and quality assurance in coordination with other Department, Agency of Human Services and community programs. Work is performed under the general supervision of a higher level program manager. The person plans, organizes, implements and evaluates community initiatives and programs related to the prevention and control of chronic diseases. The person develops and mobilizes community partners and resources, including health care providers, non-profit organizations and community groups based on community needs and resources. The person will collaborate with Blueprint for Health; OneCare Vermont, Bi-State Primary Care, Federally Qualified Health Centers (FQHCs), other clinical partners, and other related programs. This position will conduct outreach and education specific to promoting healthy behaviors and the prevention and management of chronic diseases at a systems level. The position reviews, analyzes and presents data on prevalence of chronic disease, risk factors, health disparities, emerging health issues, and relevant research findings to VDH staff, community partners, and clinical partners. The individual creates of education materials and teaching aides for use in provider, public health, and community partner education programming. This position represents the Department on coalitions, committees, and workgroups addressing chronic disease, health care transformation, healthy communities, and population health. The position may perform other related duties as necessary.

2. Provide a brief justification/explanation of this request:  The Department of Health has received a Notice of Award from the Centers for Disease Control (CDC) indicating it will receive approximately \$1.9 million dollars

per year for a four and three quarter year funding period, beginning October 1, 2018 (prorated for the first budget period which is 9 months). The person in this position will perform duties and activities required to fulfill the grant workplan that the Department of Health is expected to complete, per the terms of the cooperative agreement with the CDC. This is a large coordinated chronic disease and prevention grant which will require a strong team prepared to begin this work as soon as possible after the grant begins October 1, 2018. This position will work closely with 2 other program staff, a data analyst, an evaluator/ analyst, and a communications professional. The individual will report to the Health Systems Director who will serve as the Primary Investigator responsible for the grant.

3. If the position will be supervisory, please list the names and titles of all classified employees reporting to this position (this information should be identified on the organizational chart as well).

**Personnel Administrator's Section:**

4. If the requested class title is part of a job series or career ladder, will the position be recruited at different levels? Yes  No

5. The name and title of the person who completed this form:

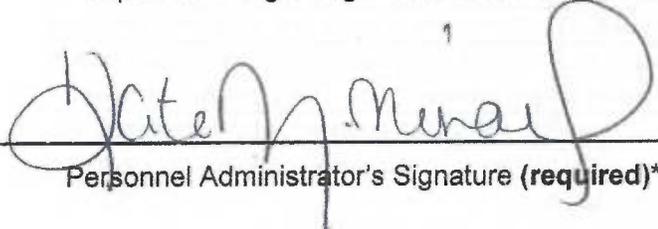
6. Who should be contacted if there are questions about this position (provide name and phone number):

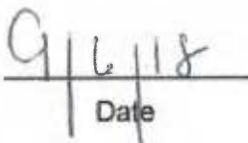
7. How many other positions are allocated to the requested class title in the department:

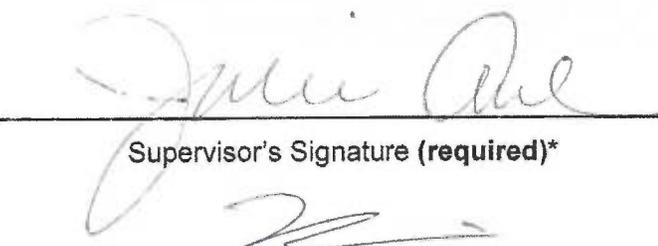
8. Will this change (new position added/change to vacant position) affect other positions within the organization? (For example, will this have an impact on the supervisor's management level designation; will duties be shifted within the unit requiring review of other positions; or are there other issues relevant to the classification process.)

**Attachments:**

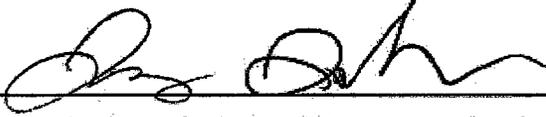
- Organizational charts are **required** and must indicate where the position reports.
- Class specification (optional).
- For new positions, include copies of the language authorizing the position, or any other information that would help us better understand the program, the need for the position, etc.
- Other supporting documentation such as memos regarding department reorganization, or further explanation regarding the need to reallocate a vacancy (if appropriate).

  
\_\_\_\_\_  
Personnel Administrator's Signature (required)\*

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Supervisor's Signature (required)\*

  
\_\_\_\_\_  
Date

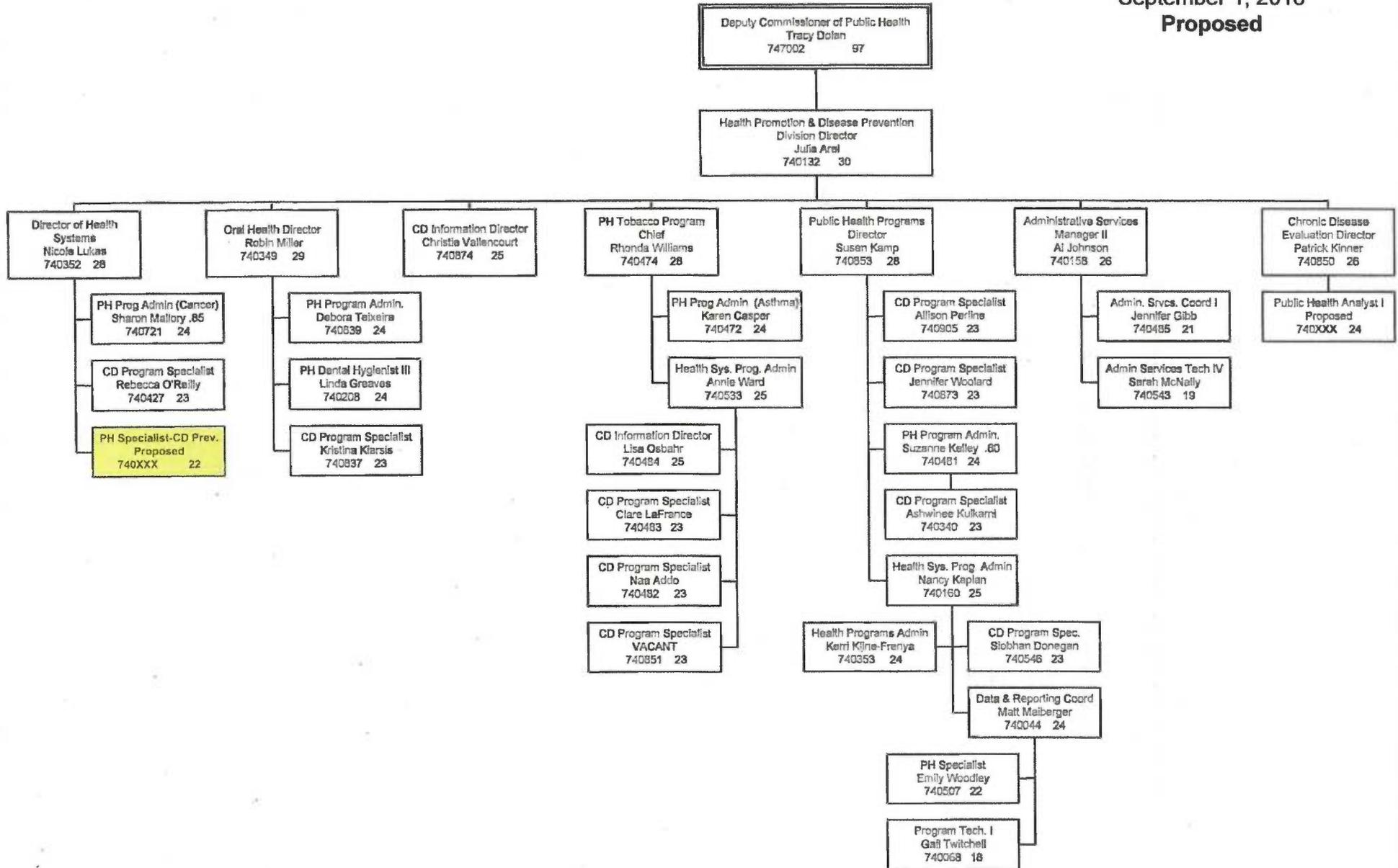
A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a horizontal line.

Appointing Authority or Authorized Representative Signature (required)\*

SEP 07 2018

Date

\* Note: Attach additional information or comments if appropriate.



**Request for Classification Action**  
**New or Vacant Positions**  
**EXISTING Job Class/Title ONLY**  
**Position Description Form C/Notice of Action**  
**For Department of Personnel Use Only**

Notice of Action # _____	Date Received (Stamp)
Action Taken: _____	
New Job Title _____	
Current Class Code _____	New Class Code _____
Current Pay Grade _____	New Pay Grade _____
Current Mgt Level ____ B/U ____ OT Cat. ____ EEO Cat. ____ FLSA ____	
New Mgt Level ____ B/U ____ OT Cat. ____ EEO Cat. ____ FLSA ____	
Classification Analyst _____	Date _____
Comments: _____	Effective Date: _____
	Date Processed: _____
Willis Rating/Components: Knowledge & Skills: _____ Mental Demands: _____ Accountability: _____	
Working Conditions: _____ Total: _____	

**Position Information:**

Incumbent: **Vacant or New Position**

Position Number: TBD Current Job/Class Title: Public Health Analyst I

Agency/Department/Unit: AHS/Health/HPDP GUC: N/A

Pay Group: Classified Work Station: Burlington Zip Code: 05401

Position Type:  Permanent  Limited Service (end date) 6/30/2023

Funding Source:  Core  Sponsored  Partnership. For Partnership positions provide the funding breakdown (% General Fund, % Federal, etc.) 50% CDC Diabetes/CVD Prev., 50% Wisewoman

Supervisor's Name, Title and Phone Number: Patrick Kinner, CD Evaluation Director (802) 863-7273

**Check the type of request (new or vacant position) and complete the appropriate section.**

**New Position(s):**

a. **REQUIRED:** Allocation requested: Existing Class Code 028000 Existing Job/Class Title: Public Health Analyst I

b. Position authorized by:

- Joint Fiscal Office – JFO #  Approval Date:
- Legislature – Provide statutory citation (e.g. Act XX, Section XXX(x), XXXX session)
- Other (explain) – Provide statutory citation if appropriate.

**Vacant Position:**

- a. Position Number:
- b. Date position became vacant:
- c. Current Job/Class Code:  Current Job/Class Title:
- d. REQUIRED: Requested (existing) Job/Class Code:  Requested (existing) Job/Class Title:
- e. Are there any other changes to this position; for example: change of supervisor, GUC, work station? Yes  No  If Yes, please provide detailed information:

**For All Requests:**

1. List the anticipated job duties and expectations; include all major job duties:  This position is responsible for program evaluation work at a professional level and will coordinate projects focused on evaluation design, qualitative and quantitative data collection, data analysis, stakeholder engagement, and writing. This position will coordinate multiple projects simultaneously and must manage the required work accordingly. Work is performed at the program, systems, and policy levels, under the supervision of the Chronic Disease Evaluation Director. Responsibilities include collaboration with program staff to establish the scope of work for evaluation projects; engaging internal and external stakeholders in data collection and evaluation processes; performing appropriate data analysis; conducting performance improvement; writing evaluation reports and other written products; and facilitating review of evaluation products with internal and external project stakeholders. The individual in this position must possess a thorough understanding of mixed research methods, data collection and analysis techniques, and writing at a professional level. The individual will perform other duties as assigned, including support of required grant activities such as grant meetings, grant reporting, and department activities. This position requires significant engagement with internal and external stakeholders, including program staff, community members, partners, and other state agencies.

2. Provide a brief justification/explanation of this request:  The Department of Health has received a Notice of Award from the Centers for Disease Control (CDC) indicating it will receive approximately \$1.9 million dollars per year for a four and three quarter year funding period, beginning October 1, 2018 (prorated for the first budget period which is 9 months). The person in this position will perform evaluation duties and activities required to fulfill the grant workplan that the Department of Health is expected to complete, per the terms of the cooperative agreement with the CDC. Program evaluation is a requirement of this agreement. This is a large coordinated chronic disease and prevention grant which will require a strong team prepared to begin this work as soon as possible after the grant begins October 1, 2018. This position will work closely with program staff, an epidemiologist, community partners, and a communications professional. The individual will report to the Chronic Disease Evaluation Director who will oversee and contribute to the evaluation work.

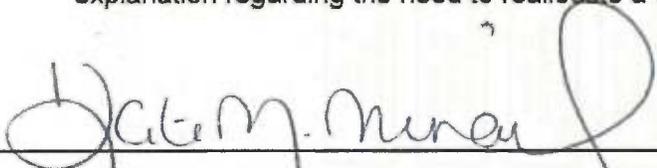
3. If the position will be supervisory, please list the names and titles of all classified employees reporting to this position (this information should be identified on the organizational chart as well).  N/A

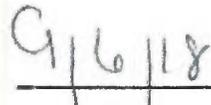
**Personnel Administrator's Section:**

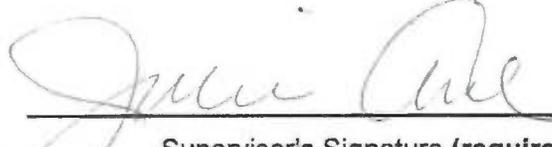
- 4. If the requested class title is part of a job series or career ladder, will the position be recruited at different levels? Yes  No
- 5. The name and title of the person who completed this form:
- 6. Who should be contacted if there are questions about this position (provide name and phone number):
- 7. How many other positions are allocated to the requested class title in the department:
- 8. Will this change (new position added/change to vacant position) affect other positions within the organization? (For example, will this have an impact on the supervisor's management level designation; will duties be shifted within the unit requiring review of other positions; or are there other issues relevant to the classification process.)

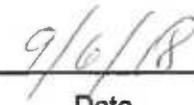
**Attachments:**

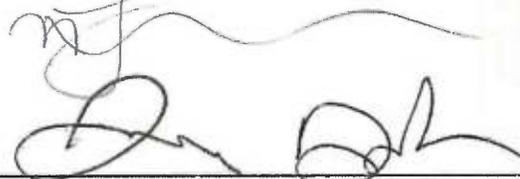
- Organizational charts are **required** and must indicate where the position reports.
- Class specification (optional).
- For new positions, include copies of the language authorizing the position, or any other information that would help us better understand the program, the need for the position, etc.
- Other supporting documentation such as memos regarding department reorganization, or further explanation regarding the need to reallocate a vacancy (if appropriate).

  
\_\_\_\_\_  
Personnel Administrator's Signature (required)\*

  
\_\_\_\_\_  
Date

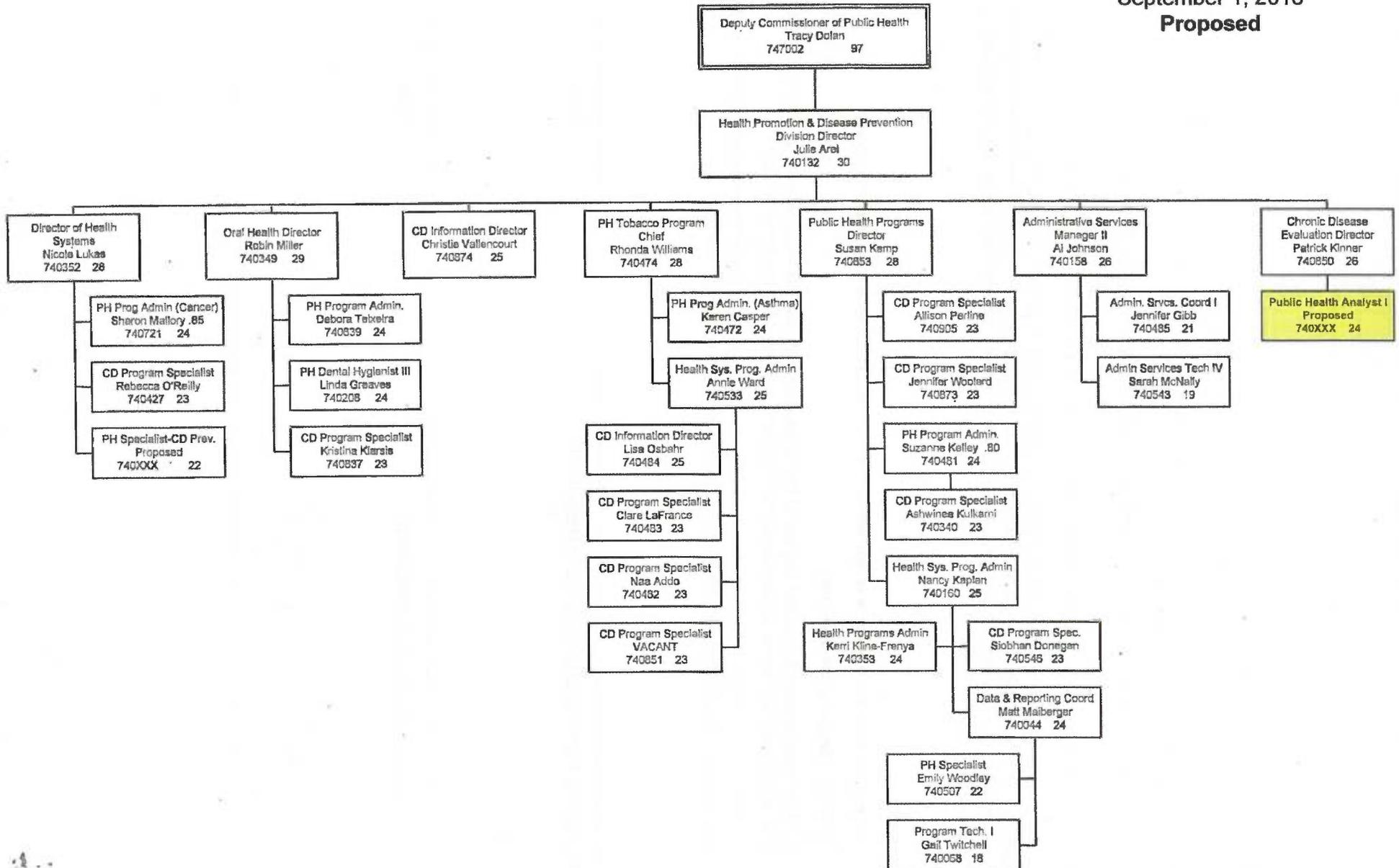
  
\_\_\_\_\_  
Supervisor's Signature (required)\*

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Appointing Authority or Authorized Representative Signature (required)\*

  
  
\_\_\_\_\_  
Date

\* Note: Attach additional information or comments if appropriate.



Vermont Year One Diabetes and Cardiovascular Disease (1815) Budget  
 Narrative October 1, 2018 – June 30, 2019

**POSITION INFORMATION - 8 Oct 18**

A. Salaries and Wages

		Position info
Health Systems Director	1.0	740352 Permanent
Public Health Program Administrator	1.0	740427 Permanent
Chronic Disease Program Specialist (new)	1.0	
Public Health Analyst III	1.0	740875 Approved <u>JFO 2642</u> Predecessor grant.
Evaluation Director	0.6	740850 Approved JFO 2546 (2012)
Public Health Analyst (new)	0.4	
Chronic Disease Information Director	0.5	740874 Approved <u>JFO 2642</u> Predecessor grant.
<del>Admin Serv Coord</del> Chronic Disease Program Specialist	1.0	740873 Approved <u>JFO 2642</u> Predecessor grant.



STATE OF VERMONT  
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee members  
From: Daniel Dickerson, Fiscal Analyst *DD*  
Date: October 19, 2018  
Subject: Position and Grant Requests – JFO #2932 - #2934

Enclosed please find three (3) items, including three (3) limited-service positions, which the Joint Fiscal Office has received from the Administration.

**JFO #2932** – \$947,877 from the Federal Emergency Management Agency to the VT Dept. of Public Safety. The funds are part of the federal FY17 pre-disaster mitigation grant program. Several sub-grants make up the total grant funding. Some of the funding will be utilized for land buyouts in Brandon and Wardsboro, some will be used for other mitigation projects, while the remainder will stay within Vermont Emergency Management to support local hazard mitigation plan development and review. The 25% local match requirement will be covered by municipalities with no State funding required. Of the total grant funding, \$473,938 would be allocated for use in State FY2019.  
[JFO received 10/10/18]

**JFO #2933** – \$7,583,030 from the Centers for Disease Control & Prevention to the VT Dept. of Health. The broad purpose for the grant funding is to improve prevention and management of diabetes and cardiovascular disease in rural high-risk populations throughout Vermont. **Two (2) limited-service positions are requested in association with this grant.** The positions are titled Public Health Specialist and Public Health Analyst respectively and would assist in administering the grant functions during the five-year funding period. Approximately half of the annual grant funding of \$1,516,606 would cover direct and indirect personal services and operating costs, while the remainder, \$846,000, would go out as sub-grants to participating health centers throughout the state.  
[JFO received 10/17/18]

**JFO #2934** – \$8,211,854 from the Substance Abuse and Mental Health Services Administration (SAMHSA) to the Vermont Agency of Education. The funds will be used to support Vermont Project AWARE (Advancing Wellness and Resilience Education). This will be a joint effort between AOE, the VT Dept. of Mental Health, and three community supervisory unions (SU): Orleans Southwest SU, Addison Rutland SU, and Greater Rutland County SU. The broad aims of the project will be to promote ongoing state and local collaboration regarding mental health best practices in schools, enhance wellness and resiliency skills for school-age youth, and support system improvements for school-based mental health services. **One (1) limited-service position is requested in association with this grant.** The position is titled Education Consultant II. This is a five-year grant program and \$942,945 of grant funding would be utilized in the remainder of State FY2019.  
[JFO received 10/19/18]

Please review the enclosed materials and notify the Joint Fiscal Office (Daniel Dickerson at (802) 828-2472; [ddickerson@leg.state.vt.us](mailto:ddickerson@leg.state.vt.us)) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by November 2, 2018 we will assume that you agree to consider as final the Governor's acceptance of these requests.

JFO 2934

State of Vermont  
 Department of Finance & Management  
 109 State Street, Pavilion Building  
 Montpelier, VT 05620-0401

[phone] 802-828-2376  
 [fax] 802-828-2428

Agency of Administration  
**RECEIVED**  
 OCT 19 2018

**STATE OF VERMONT JOINT FISCAL OFFICE  
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

<b>Grant Summary:</b>	To support a joint project between the Agency of Education, the AHS Department of Mental Health and Vermont communities to promote awareness of and support for mental health, wellness and resiliency issues for school age youth.				
<b>Date:</b>	10/4/2018				
<b>Department:</b>	Agency of Education				
<b>Legal Title of Grant:</b>	FY 18 Project AWARE-SEA				
<b>Federal Catalog #:</b>	93.243				
<b>Grant/Donor Name and Address:</b>	U.S. Department of Health and Human Services, Rockville, MD				
<b>Grant Period:</b>	From: 9/30/2018		To: 9/29/2023		
<b>Grant/Donation</b>	\$8,211,854				
	<b>SFY 1</b>	<b>SFY 2</b>	<b>SFY 3</b>	<b>Total</b>	<b>Comments</b>
<b>Grant Amount:</b>	\$1,582,371	\$1,587,659	\$1,626,437	\$8,211,854	
<b>Position Information:</b>	<b># Positions</b>	<b>Explanation/Comments</b>			
	1	Education Consultant II			
<b>Additional Comments:</b>					
Has Vantage budget detail been reviewed and reconciled? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>DB</i> (Analyst Initial)					
<b>Department of Finance &amp; Management</b>	<i>AG</i>				(Initial)
<b>Secretary of Administration</b>	<i>DB</i>				(Initial)
<b>Sent To Joint Fiscal Office</b>	10/15/18				Date



DEVELOPMENT

RESEARCH

1970

**STATE OF VERMONT REQUEST FOR GRANT (\*) ACCEPTANCE (Form AA-1)**

**BASIC GRANT INFORMATION**

<b>1. Agency:</b>	Education		
<b>2. Department:</b>			
<b>3. Program:</b>	Federal and Education Support Programs		
<b>4. Legal Title of Grant:</b>	FY18 Project AWARE-SEA		
<b>5. Federal Catalog #:</b>	93.243		
<b>6. Grant/Donor Name and Address:</b>			
Department of Health and Human Services Substance Abuse and Mental Health Services Administration 5600 Fishers Lane Rockville, MD 20857			
<b>7. Grant Period:</b>	<b>From:</b>	9/30/2018	<b>To:</b> 9/29/2023

**8. Purpose of Grant:**  
Vermont Project AWARE is a joint effort between the Agency of Education (AOE) and the Agency of Human Services, Department of Mental Health (AHS/DMH) and three communities to promote: on-going collaboration at the state and local level regarding best practices to increase awareness of mental health issues; enhance wellness and resiliency skills for school age youth; and support system improvements for school based mental health services.

**9. Impact on existing program if grant is not Accepted:**  
The grant is specifically for this program so the program will not exist. The development of supportive mental health services for schools is a great need in Vermont and this grant will set AOE and DMH on a clear path for collaborating on how to conduct these services across the state.

**10. BUDGET INFORMATION**

	SFY 1	SFY 2	SFY 3	Comments
	FY 19	FY 20	FY 21	
<b>Expenditures:</b>				
Personal Services	\$315,579	\$98,645	\$101,604	
Operating Expenses	\$10,855	\$7,088	\$8,228	
Grants	\$616,511	\$1,217,315	\$1,245,531	
<b>Total</b>	<b>\$942,945</b>	<b>\$1,323,048</b>	<b>\$1,355,363</b>	
<b>Revenues:</b>				
State Funds:	\$	\$	\$	
Cash	\$	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$	\$	\$	
(Direct Costs)	\$905,695	\$1,285,748	\$1,318,013	
(Statewide Indirect)	\$	\$	\$	
(Departmental Indirect)	\$37,250	\$37,300	\$37,350	
Other Funds:	\$	\$	\$	
Grant (source )	\$	\$	\$	
<b>Total</b>	<b>\$942,945</b>	<b>\$1,323,048</b>	<b>\$1,355,363</b>	

<b>Appropriation No:</b>	5100070000	<b>Amount:</b>	\$ 942,945
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OCT 04 2018



**STATE OF VERMONT REQUEST FOR GRANT (\*) ACCEPTANCE (Form AA-1)**

**End Form AA-1**

**(\*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).**

and their families and caregivers. AWARE-SEA aligns with the recommendations:

2.7 Prioritize early identification and intervention for children.

2.8 Use telehealth and other technologies to increase access to care.

2.9 Support family members and caregivers.

- 3.2 Make screening and early intervention among children and youth a national expectation.
- 3.5 Implement effective systems of care for children and youth throughout the nation.

The AWARE-SEA program is authorized under 520A (290bb-32) of the Public Health Service Act, as amended. This announcement also addresses Healthy People 2020 Mental Health and Mental Disorders Topic Area HP 2020-MHMD.

## 2. EXPECTATIONS

The AWARE-SEA Program is one of SAMHSA's services grant programs. SAMHSA intends that its services programs result in the delivery of services as soon as possible after award. **At the latest, recipients are expected to provide services to school-aged youth and their families by the fourth month after the grant has been awarded.** Applicants are expected to request funding for each year in a manner that is realistic and appropriate given the requirements of each year. If funded, grantees will be expected to execute implementation plans to spend the funding requested in each year of the grant.

### Key Personnel:

Key personnel are staff members who must be part of the project regardless of whether or not they receive a salary or compensation from the project. These staff members must make a substantial contribution to the execution of the project.

**The key personnel for this program are the SEA Project Coordinator with a 1.0 FTE minimum level of effort, and the Project Co-Coordinator from the State Mental Health Agency (SMHA) with a .5 FTE minimum level of effort. These positions require prior approval by SAMHSA after a review of job descriptions and staff credentials.**

### Required Services Activities:

*purpose: AWARE-SEA grant position*

## **Project Abstract Summary: Vermont Project AWARE**

Vermont Project AWARE is a joint effort between the Agency of Education (AOE) and the Agency of Human Services, Department of Mental Health (AHS/DMH) and three communities to promote: on-going collaboration at the state and local level regarding best practices to increase awareness of mental health issues; enhance wellness and resiliency skills for school age youth; and support system improvements for school based mental health services. The project will establish planning teams with each of three LEAs and their Designated Mental Health Agency (DA) partner. Target communities include: Orleans Southwest Supervisory Union, partnering with Lamoille County Mental Health; Addison Rutland Supervisory Union and Greater Rutland County Supervisory Union, who will both partner with Rutland County Mental Health Services.

The initial project is designed to roll out over a five-year period and inform sustainability measures for moving the collaboration and best practices into other communities around the state. The level of evaluation and the communities selected will give a broad enough picture to help AOE and AHS craft a process to inform future practice. The Program Coordinator, based at AOE, will coordinate the state-wide activities and oversee the evaluation and data collection, ultimately leading to the final best practice recommendations.

Each LEA/DA team will work with state staff to: improve access to school and community mental health services for school age children and their families; develop school-based mental health programs to screen for, provide early intervention and address ongoing mental health needs of youth; conduct outreach and engagement activities to increase awareness and identification of mental health issues and to promote positive mental health; include families, schools, and community stakeholders in planning and implementing project activities; help school-aged youth develop skills that promote resiliency and pro-social behaviors and prevent youth violence. The overall objectives of the project are to address issues in each community related to: access to services; service or knowledge gaps, such as becoming trauma responsive; and troubling trends in Youth Risk Behavior Survey results such as, the percent of youth who report being bullied, not feeling safe, having planned or attempted suicide, or misuse of prescription drugs.

Vermont's Project AWARE will rely on several evidence based practices to support its success, including: Youth Mental Health First Aid®; Umatter® youth suicide prevention activities; Positive Behavioral Interventions and Supports (PBIS); Interconnected Systems Framework (ISF); and Attachment, Regulation, and Competency (ARC) framework for complex trauma.

Vermont expects these activities to impact 350 individuals in year one and 875 individuals in each of the remaining grant years or approximately 3350 LEA staff, parents, youth and community members over the course of the five year grant period.



Notice of Award

FY 2018 Project AWARE-SEA  
Department of Health and Human Services  
Substance Abuse and Mental Health Services Administration

Issue Date: 09/11/2018

Center for Mental Health Services

**Grant Number:** 1H79SM080977-01  
**FAIN:** H79SM080977  
**Program Director:** Alicia Hanrahan

**Project Title:** Vermont Project AWARE

<b>Grantee Address</b>	<b>Business Address</b>
VERMONT STATE AGENCY OF EDUCATION Kathy Flanagan  219 N. Main Street Suite 402 Barre, VT 056414129	Kathy Flanagan Vermont Agency of Education 219 N. Main St Suite 402 Barre, VT 056414129

**Budget Period:** 09/30/2018 – 09/29/2019

**Project Period:** 09/30/2018 – 09/29/2023

Dear Grantee:

The Substance Abuse and Mental Health Services Administration hereby awards a grant in the amount of \$1,582,371 (see "Award Calculation" in Section I and "Terms and Conditions" in Section III) to VERMONT STATE AGENCY OF EDUCATION in support of the above referenced project. This award is pursuant to the authority of 520A (290bb-32) of the Public Health Service Act, as amended and is subject to the requirements of this statute and regulation and of other referenced, incorporated or attached terms and conditions.

Award recipients may access the SAMHSA website at [www.samhsa.gov](http://www.samhsa.gov) (click on "Grants" then SAMHSA Grants Management), which provides information relating to the Division of Payment Management System, HHS Division of Cost Allocation and Postaward Administration Requirements. Please use your grant number for reference.

Acceptance of this award including the "Terms and Conditions" is acknowledged by the grantee when funds are drawn down or otherwise obtained from the grant payment system.

If you have any questions about this award, please contact your Grants Management Specialist and your Government Project Officer listed in your terms and conditions.

Sincerely yours,  
Thomas Graves  
Grants Management Officer  
Division of Grants Management

See additional information below

**SECTION I – AWARD DATA – 1H79SM080977-01**

**Award Calculation (U.S. Dollars)**

Salaries and Wages	\$58,894
Fringe Benefits	\$36,879
Personnel Costs (Subtotal)	\$95,773
Other	\$1,486,598
<b>Direct Cost</b>	<b>\$1,582,371</b>
<b>Approved Budget</b>	<b>\$1,582,371</b>
Federal Share	\$1,582,371
Cumulative Prior Awards for this Budget Period	\$0
<b>AMOUNT OF THIS ACTION (FEDERAL SHARE)</b>	<b>\$1,582,371</b>

SUMMARY TOTALS FOR ALL YEARS	
YR	AMOUNT
1	\$1,582,371
2	\$1,587,659
3	\$1,626,437
4	\$1,679,704
5	\$1,735,683
	<u>\$8,211,854</u>

\*Recommended future year total cost support, subject to the availability of funds and satisfactory progress of the project.

**Fiscal Information:**

CFDA Number: 93.243  
 EIN: 1900217390A1  
 Document Number: 18SM80977A  
 Fiscal Year: 2018

IC	CAN	Amount
SM	C96J686	\$1,582,371

IC	CAN	2018	2019	2020	2021	2022
SM	C96J686	\$1,582,371	\$1,587,659	\$1,626,437	\$1,679,704	\$1,735,683

**SM Administrative Data:**

PCC: AWARES18 / OC: 4145

**SECTION II – PAYMENT/HOTLINE INFORMATION – 1H79SM080977-01**

Payments under this award will be made available through the HHS Payment Management System (PMS). PMS is a centralized grants payment and cash management system, operated by the HHS Program Support Center (PSC), Division of Payment Management (DPM). Inquiries regarding payment should be directed to: The Division of Payment Management System, PO Box 6021, Rockville, MD 20852, Help Desk Support – Telephone Number: 1-877-614-5533.

The HHS Inspector General maintains a toll-free hotline for receiving information concerning fraud, waste, or abuse under grants and cooperative agreements. The telephone number is: 1-800-HHS-TIPS (1-800-447-8477). The mailing address is: Office of Inspector General, Department of Health and Human Services, Attn: HOTLINE, 330 Independence Ave., SW,

Washington, DC 20201.

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**SECTION III – TERMS AND CONDITIONS – 1H79SM080977-01**

This award is based on the application submitted to, and as approved by, SAMHSA on the above-title project and is subject to the terms and conditions incorporated either directly or by reference in the following:

- a. The grant program legislation and program regulation cited in this Notice of Award.
- b. The restrictions on the expenditure of federal funds in appropriations acts to the extent those restrictions are pertinent to the award.
- c. 45 CFR Part 75 as applicable.
- d. The HHS Grants Policy Statement.
- e. This award notice, INCLUDING THE TERMS AND CONDITIONS CITED BELOW.

**Treatment of Program Income:  
Additional Costs**

In accordance with the regulatory requirements provided at 45 CFR 75.113 and Appendix XII to 45 CFR Part 75, recipients that have currently active Federal grants, cooperative agreements, and procurement contracts with cumulative total value greater than \$10,000,000 must report and maintain information in the System for Award Management (SAM) about civil, criminal, and administrative proceedings in connection with the award or performance of a Federal award that reached final disposition within the most recent five-year period. The recipient must also make semiannual disclosures regarding such proceedings. Proceedings information will be made publicly available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)). Full reporting requirements and procedures are found in Appendix XII to 45 CFR Part 75.

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**SECTION IV – SM Special Terms and Conditions – 1H79SM080977-01**

**REMARKS**

**FY 2018 New Award**

1. This Notice of Award (NoA) is to inform your organization that the application submitted through the **Funding Opportunity Announcement (FOA) No. SM-18-006** has been selected for funding.

**1a)** This NoA also reflects *\*conditional* approval of the budget provided on *June 01, 2018* as part of the application submitted by your organization.

**1b)** \*Due to the Special Condition of Award, \$1,486,598 of this Award has been placed within the "Other" Budget Cost Category as a restricted amount, and may not be used for any purpose until which time a revised budget is received and approved by SAMHSA.

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2. Recipients are expected to plan their work to ensure that funds are expended within the 12-month budget period reflected on this Notice of Award. If activities proposed in the approved budget cannot be completed within the current budget period, SAMSHA cannot guarantee the approval of any request for carryover of remaining unobligated funding.

3. All responses to award terms and conditions and prior approval requests must be submitted through the eRA Commons system.

4. Register Program Director/Project Director (PD) in eRA Commons:

If you have not already done so, you must register the PD listed on the HHS Checklist in eRA Commons to assign a Commons ID. Once the PD has received their Commons ID, please send this information to your Grants Management Specialist. You can find additional information about the eRA Commons registration process at [https://era.nih.gov/reg\\_accounts/register\\_commons.cfm](https://era.nih.gov/reg_accounts/register_commons.cfm).

#### **Key Staff**

Key staff (or key staff positions, if staff has not been selected) are listed below:

***Alicia Hanrahan, Project Director @ TBD% Level of Effort***

***Project Coordinator - TBD @ 100% Level of Effort***

***Tracy Mongeon, SMHA Project Co-Coordinator @ 50% Level of Effort***

Any changes in key staff including level of effort involving separation from the project for more than three months or a 25 percent reduction in time dedicated to the project, requires prior approval. Reference the Prior Approval Standard Term for additional information and instructions.

### **SPECIAL TERMS**

#### **Disparity Impact Statement (DIS)**

By **November 30, 2018** you must submit via eRA Commons.

The DIS should be consistent with information in your application regarding access, \*service use and outcomes for the program and include three components as described below. Questions about the DIS should be directed to your GPO. Examples of DIS can be found on the SAMHSA website at <http://www.samhsa.gov/grants/grants-management/disparity-impactstatement>.

\*Service use is inclusive of treatment services, prevention services as well as outreach, engagement, training, and/or technical assistance activities.

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The disparity impact statement consists of three components:

1. Proposed number of individuals to be served and/or reached by subpopulations in the grant implementation area should be provided in a table that covers the entire grant period. The disparate population(s) should be identified in a narrative that includes a description of the population and rationale for how the determination was made.

2. A quality improvement plan for how you will use your program (GPRA) data on access, use and outcomes to monitor and manage program outcomes by race, ethnicity and LGBT status, when possible. The quality improvement plan should include strategies for how processes and/or programmatic adjustments will support efforts to reduce disparities for the identified sub-populations:

3. The quality improvement plan should include methods for the development and implementation of policies and procedures to ensure adherence to the Enhanced Culturally and Linguistically Appropriate Services (CLAS) Standards and the provision of effective care and services that are responsive to:

a. Diverse cultural health beliefs and practices;

b. Preferred languages; and

c. Health literacy and other communication needs of all sub-populations within the proposed geographic region.

**All responses to award terms and conditions must be submitted as .pdf documents in the "View Terms Tracking Details" page in eRA Commons.**

For more information on how to upload a document in response to a tracked term, please reference under heading "4 Additional Materials – grantee" in the User Guide located at: [https://era.nih.gov/files/TCM\\_User\\_Guide\\_Grantee.pdf](https://era.nih.gov/files/TCM_User_Guide_Grantee.pdf)

## **Data Collection**

All SAMHSA recipients are required to collect and report certain data so that SAMHSA can meet its obligations under the *Government Performance and Results Act (GPRA)* and the *Modernization Act of 2010*.

This data will be collected and reported using SAMHSA's *Performance Accountability and Reporting System (SPARS)*. AWARE-SEA recipients will be expected to complete an Annual Goals and Budget training no later than **December 31, 2018**, and will be expected to enter their Annual Goals and Budget information and data into SPARS no later than **January 31, 2019**.

## **SPECIAL CONDITIONS**

### **Revised Budget**

**By October 30, 2018 submit via eRA Commons**, a Revised Budget using the budget sample format from the Funding Opportunity Announcement (FOA) as a way to provide itemized details to the proposed cost-line items and to better break-down the budget costs along the stated funding restrictions.

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**All responses to award terms and conditions must be submitted as .pdf documents in the "View Terms Tracking Details" page in eRA Commons.**

For more information on how to upload a document in response to a tracked term, please reference under heading **"4 Additional Materials – grantee"** in the User Guide located at: [https://era.nih.gov/files/TCM\\_User\\_Guide\\_Grantee.pdf](https://era.nih.gov/files/TCM_User_Guide_Grantee.pdf)

## **STANDARD TERMS AND CONDITIONS**

### **Standard Terms for Awards FY 2018**

Your organization must comply with the Standard Terms and Conditions for grants awarded in Fiscal Year 2018 and the following award terms applicable to your award type as identified below:

- \* **New Grant**
- \* Continuation (as applicable)
- \* Cooperative Agreement Standard Terms (as applicable)
- \* Multi-Year Grant (as applicable)

SAMHSA's Terms and Conditions Webpage is located at: <https://www.samhsa.gov/grants/grants-management/notice-award-noa/standard-terms-conditions>.

### **Annual Programmatic Progress Report**

Submission of an annual Programmatic Report is due no later than **December 30, 2019**.

**Note:** Recipients must also comply with the GPRA requirements that include the collection and periodic reporting of performance data as specified in the FOA or by the Grant Program Official (GPO). This information is needed in order to comply with PL 102-62, which requires that Substance Abuse and Mental Health Services Administration (SAMHSA) report evaluation data to ensure the effectiveness and efficiency of its programs.

The response to this term must be submitted as .pdf documents in the "View Terms Tracking Details" page in eRA Commons. Please contact your Government Program Official (GPO) for program specific submission information.

For more information on how to upload a document in response to a tracked term, please reference under heading **"4 Additional Materials – grantee"** in the User Guide located at: [https://era.nih.gov/files/TCM\\_User\\_Guide\\_Grantee.pdf](https://era.nih.gov/files/TCM_User_Guide_Grantee.pdf)

Additional information on reporting requirements is available at <https://www.samhsa.gov/grants/grants-management/reporting-requirements>.

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### **Annual Federal Financial Report (SF-425)**

The Federal Financial Report (FFR) (SF-425) is required on an annual basis and must be submitted no later than 90 days after the end of the budget period. The annual FFR should reflect only cumulative actual Federal funds authorized and disbursed, the cumulative unobligated balance of the Federal funds for the award, as well as any program income generated during the timeframe covered by the report. Additional guidance to complete the FFR can be found at <http://www.samhsa.gov/grants/grants-management/reporting-requirements>.

FFR reporting must be entered directly into the eRA Commons system. Instructions on how to submit a Federal Financial Report (FFR) via the eRA Commons is available at <https://www.samhsa.gov/sites/default/files/samhsa-grantee-submit-ffr-10-22-17.pptx>.

### **Compliance with Terms and Conditions**

**FAILURE TO COMPLY WITH THE ABOVE STATED TERMS AND CONDITIONS MAY RESULT IN ACTIONS IN ACCORDANCE WITH 45 CFR 75.371, REMEDIES FOR NON-COMPLIANCE AND 45 CFR 75.372 TERMINATION. THIS MAY INCLUDE WITHHOLDING PAYMENT, DISALLOWANCE OF COSTS, SUSPENSION AND DEBARMENT, TERMINATION OF THIS AWARD, OR DENIAL OF FUTURE FUNDING.**

**All previous terms and conditions remain in effect until specifically approved and removed by the Grants Management Officer.**

### **Staff Contacts:**

Joyce Sebian, Program Official  
Phone: (240) 276-1846 Email: [Joyce.Sebian@samhsa.hhs.gov](mailto:Joyce.Sebian@samhsa.hhs.gov)

Ernest Stevens, Grants Specialist  
Phone: (240) 276-0631 Email: [Ernest.Stevens@samhsa.hhs.gov](mailto:Ernest.Stevens@samhsa.hhs.gov) Fax: (240) 276-1430

VERMONT DEPARTMENT OF PERSONNEL  
Request for Classification Review  
Position Description Form A

- **This form is to be used by managers and supervisors to request classification of a position (filled or vacant) when the duties have changed, and by managers and supervisors to request the creation of a new job class/title (for a filled, vacant, or new position), and by employees to request classification of their position.**
- This form was designed in Microsoft Word to download and complete on your computer. This is a form-protected document, so information can only be entered in the shaded  areas of the form.
- If you prefer to fill out a hard copy of the form, contact your Personnel Officer.
- To move from field to field use your mouse, the arrow keys or press Tab. Each form field has a limited number of characters. Use your mouse or the spacebar to mark and unmark a checkbox.
- Where additional space is needed to respond to a question, you might need to attach a separate page, and number the responses to correspond with the numbers of the questions on the form. Please contact your Personnel Officer if you have difficulty completing the form.
- The form **must be complete**, including required attachments and signatures or it will be returned to the department's personnel office. All sections of this form are required to be completed unless otherwise stated.

**INSTRUCTIONS:** Tell us about the job. The information you provide will be used to evaluate the position. It will not be used in any way to evaluate an employee's performance or qualifications.

Answer the questions carefully. The information you give will help ensure that the position is fairly evaluated. Here are some suggestions to consider in completing this questionnaire:

- Tell the **facts** about what an employee in this position is actually expected to do.
- Give **specific examples** to make it clear.
- Write in a way so a person unfamiliar with the job will be able to understand it.
- Describe the job **as it is now**; not the way it was or will become.
- Before answering each question, read it carefully.

**To Submit this Request for Classification Review:** If this is a filled position, the employee must sign the original\* and forward to the supervisor for the supervisor's review and signature. The Personnel Officer and the Appointing Authority must also review and sign this request before it is considered complete. The effective date of review is the beginning of the first pay period following the date the complete Request for Classification Review is date stamped by the Classification Division of the Department of Personnel.

\*An employee may choose to sign the form, make a copy, submit original to supervisor as noted above, while concurrently sending the copy to the Classification Division, 144 State Street, Montpelier, with a cover note indicating that the employee has submitted the original to the supervisor and is submitting the copy as a **Concurrent** filing.

**If this is a request (initiated by employees, VSEA, or management) for review of all positions in a class/title please contact the appropriate Classification Analyst or the Classification Manager to discuss the request prior to submitting.**

## Request for Classification Review Position Description Form A

For Department of Personnel Use Only

Notice of Action # _____	Date Received (Stamp) _____
Action Taken: _____	
New Job Title _____	
Current Class Code _____	New Class Code _____
Current Pay Grade _____	New Pay Grade _____
Current Mgt Level _____ B/U _____ OT Cat. _____	EEO Cat. _____ FLSA _____
New Mgt Level _____ B/U _____ OT Cat. _____	EEO Cat. _____ FLSA _____
Classification Analyst _____	Date _____ Effective Date: _____
Comments: _____	Date Processed: _____
Willis Rating/Components: Knowledge & Skills: _____	Mental Demands: _____ Accountability: _____
Working Conditions: _____	Total: _____

### Incumbent Information:

Employee Name:  Employee Number:   
Position Number:  Current Job/Class Title:   
Agency/Department/Unit:  Work Station:  Zip Code:   
Supervisor's Name, Title, and Phone Number:   
How should the notification to the employee be sent:  employee's work location  or  other address, please provide mailing address:

### New Position/Vacant Position Information:

New Position Authorization:  Request Job/Class Title:   
Position Type:  Permanent or  Limited / Funding Source:  Core,  Partnership, or  Sponsored  
Vacant Position Number:  Current Job/Class Title:   
Agency/Department/Unit:  Work Station:  Zip Code:   
Supervisor's Name, Title and Phone Number:

### Type of Request:

- Management:** A management request to review the classification of an existing position, class, or create a new job class.
- Employee:** An employee's request to review the classification of his/her current position.

## 1. Job Duties

This is the **most critical** part of the form. Describe the activities and duties required in your job, **noting changes (new duties, duties no longer required, etc.) since the last review**. Place them in order of importance, beginning with the single most important activity or responsibility required in your job. The importance of the duties and expected end results should be clear, including the tolerance that may be permitted for error. Describe each job duty or activity as follows:

- **What it is:** The nature of the activity.
- **How you do it:** The steps you go through to perform the activity. Be specific so the reader can understand the steps.
- **Why it is done:** What you are attempting to accomplish and the end result of the activity.

For example a Tax Examiner might respond as follows: **(What)** Audits tax returns and/or taxpayer records. **(How)** By developing investigation strategy; reviewing materials submitted; when appropriate interviewing people, other than the taxpayer, who have information about the taxpayer's business or residency. **(Why)** To determine actual tax liabilities.

- Data collection and analysis, reporting
- Ability to provide technical assistance to school staff and families
- Familiarity with Evidence Based Practices
- Participate actively in State Advisory Committees
- Co-Manage the project at the State level
- Supports the development and implementation of a comprehensive plan of activities related to the Grant
- Execute implementation plan to spend the funding requested in each year of the grant
- Support schools to develop an infrastructure that will sustain and expand mental health and behavioral health services and supports when the federal funding ends
- Support schools with the design and implementation of the grant
- Establish weekly, monthly and quarterly meetings as appropriate
- Collaborate and communicate effectively with local school district and VTAOE staff, Department of Mental Health colleagues, Designated Agency (DA) staff and community members.
- Oversee and support implementation, service delivery, evaluation, and adaptation of the grant
- Collaboratively organize training in use of referral protocols, screening assessments, interview protocols, data collection as needed
- Oversee allocation of grant budget
- Complete timely grant reporting in consultation with the grant evaluator
- Submit progress reports to Federal Substance Abuse and Mental Health Services Administration (SAMHSA) as required
- Improve the SEA infrastructure and capacity to provide technical assistance to local education agencies to promote the wide scale adoption of successful strategies, programs and policies developed

## 2. Key Contacts

This question deals with the personal contacts and interactions that occur in this job. Provide brief typical examples indicating your primary contacts (not an exhaustive or all-inclusive list of contacts) other than those persons to whom you report or who report to you. If you work as part of a team, or if your primary contacts are with other agencies or groups outside State government describe those interactions, and what your role is. For example: you may *collaborate, monitor, guide, or facilitate change*.

- Collaborate and communicate effectively with local school district and VTAOE staff, Department of Mental Health colleagues, Designated Agency (DA) staff and community members.
- Submit progress reports to federal reporting agency (SAMHSA) as required

## 3. Are there licensing, registration, or certification requirements; or special or unusual skills necessary to perform this job?

Include any special licenses, registrations, certifications, skills; (such as counseling, engineering, computer programming, graphic design, strategic planning, keyboarding) including skills with specific equipment, tools, technology, etc. (such as mainframe computers, power tools, trucks, road equipment, specific software packages). Be specific, if you must be able to drive a commercial vehicle, or must know Visual Basic, indicate so.

Expertise in training and consultation.  
Familiarity with Evidence Based Practices  
Knowledge and/or experience in VT's Multi-tiered support services  
Experience working with students and/or families with Emotional Disturbance and/or Mental Illness.  
Experience in data collection and analysis  
The ability to problem solve, troubleshoot and be flexible.  
Knowledge and/or experience with community based mental health practices and services, use of trauma informed approaches, and social emotional learning is a plus.

## 4. Do you supervise?

In this question "supervise" means if you direct the work of others where you are held **directly** responsible for assigning work; performance ratings; training; reward and discipline or effectively recommend such action; and other personnel matters. List the names, titles, and position numbers of the classified employees reporting to you:

N/A

## 5. In what way does your supervisor provide you with work assignments and review your work?

This question deals with how you are supervised. Explain how you receive work assignments, how priorities are determined, and how your work is reviewed. There are a wide variety of ways a job can be supervised, so there may not be just one answer to this question. For example, some aspects of your work may be reviewed on a regular basis and in others you may operate within general guidelines with much independence in determining how you accomplish tasks.

Supervision is provided through direct conversation, email and regular meetings with the supervisor (Education Program Manager - Alicia Hanrahan) as well as through team

meetings that include the Division Director.

Priorities are determined based upon the grant requirements, regular meetings with school and other Agency/State Agency staff and the workplan as established by AOE in collaboration with the granting agency (SAMHSA) and the Inter-agency statewide team.

Some work is independent while other work is overseen by the Program Manager, depending on the sensitivity and statewide impact of the work product.

## 6. Mental Effort

This section addresses the mental demands associated with this job. Describe the most mentally challenging part of your job or the most difficult typical problems you are expected to solve. Be sure to give a specific response and describe the situation(s) by example.

- For example, a purchasing clerk might respond: *In pricing purchase orders, I frequently must find the cost of materials not listed in the pricing guides. This involves locating vendors or other sources of pricing information for a great variety of materials.*
- Or, a systems developer might say: *Understanding the ways in which a database or program will be used, and what the users must accomplish and then developing a system to meet their needs, often with limited time and resources.*

- Ability to develop positive interpersonal relationships with interagency partners, peers and local school staff
- Excellent communication skills both verbally and in writing in order to effectively create and share visions and goals of the project with school staff, agency staff and other stakeholders statewide.
- Strong initiative to promote an effective and efficient work site
- Strong judgment administratively to ensure effective decision-making when communicating with federal and state agencies and determining data collection/evaluation measures.

## 7. Accountability

This section evaluates the job's expected results. In weighing the importance of results, consideration should be given to responsibility for the safety and well-being of people, protection of confidential information and protection of resources.

What is needed here is information not already presented about the job's scope of responsibility. What is the job's most significant influence upon the organization, or in what way does the job contribute to the organization's mission?

Provide annualized dollar figures if it makes sense to do so, explaining what the amount(s) represent.

For example:

- A social worker might respond: *To promote permanence for children through coordination and delivery of services;*
- A financial officer might state: *Overseeing preparation and ongoing management of division budget: \$2M Operating/Personal Services, \$1.5M Federal Grants.*

Assist in the oversight and appropriate use of \$1.2 million in a federal grant - sending that out to local education agencies and through contracts

To promote: on-going collaboration at the state and local level regarding best practices to increase awareness of mental health issues; enhance wellness and resiliency skills for school age youth; and support system improvements for school based mental health services.

**8. Working Conditions**

The intent of this question is to describe any adverse conditions that are routine and expected in your job. It is not to identify special situations such as overcrowded conditions or understaffing.

- a) What significant mental stress are you exposed to? All jobs contain some amount of stress. If your job stands out as having a significant degree of mental or emotional pressure or tension associated with it, this should be described.

Type	How Much of the Time?

- b) What hazards, special conditions or discomfort are you exposed to? (Clarification of terms: **hazards** include such things as potential accidents, illness, chronic health conditions or other harm. Typical examples might involve exposure to dangerous persons, including potentially violent customers and clients, fumes, toxic waste, contaminated materials, vehicle accident, disease, cuts, falls, etc.; and **discomfort** includes exposure to such things as cold, dirt, dust, rain or snow, heat, etc.)

Type	How Much of the Time?

- c) What weights do you lift; how much do they weigh and how much time per day/week do you spend lifting?

Type	How Heavy?	How Much of the Time?

- d) What working positions (sitting, standing, bending, reaching) or types of effort (hiking, walking, driving) are required?

Type	How Much of the Time?
driving - travel across the state	5%

**Additional Information:**

Carefully review your job description responses so far. If there is anything that you feel is important in understanding your job that you haven't clearly described, use this space for that purpose. Perhaps your job has some unique aspects or characteristics that weren't brought out by your answers to the previous

questions. In this space, add any additional comments that you feel will add to a clear understanding of the requirements of your job.

Employee's Signature (required): \_\_\_\_\_ Date: \_\_\_\_\_

**Supervisor's Section:**

Carefully review this completed job description, but **do not** alter or eliminate any portion of the original response. Please answer the questions listed below.

1. What do you consider the most important duties of this job and why?

Coordinating the Inter-agency and supporting local education agencies as they roll out the functional priorities of the federal grant.

Identifying and implementing evidence-based practices to promote collaboration and improve systems to support students' mental health

2. What do you consider the most important knowledge, skills, and abilities of an employee in this job (not necessarily the qualifications of the present employee) and why?

Communication, both written and oral

Initiative to perform duties with guidance from a supervisor but without constant supervision

Ability to form and maintain positive partnerships with local education agencies, school staff and other state agencies

Ability to make effective decisions

Ability to manage tasks to meet deadlines and provide reports about data and evaluation as required by the Federal government

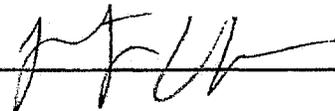
3. Comment on the accuracy and completeness of the responses by the employee. List below any missing items and/or differences where appropriate.

Responses are thorough

4. Suggested Title and/or Pay Grade:

Education Consultant II, PG 23

Supervisor's Signature (required):



Date:

10/1/18

**Personnel Administrator's Section:**

Please complete any missing information on the front page of this form before submitting it for review.

Are there other changes to this position, for example: Change of supervisor, GUC, work station?

Yes  No If yes, please provide detailed information.

Attachments:

- Organizational charts are **required** and must indicate where the position reports.
- Draft job specification is **required** for proposed new job classes.

Will this change affect other positions within the organization? If so, describe how, (for example, have duties been shifted within the unit requiring review of other positions; or are there other issues relevant to the classification review process).

Suggested Title and/or Pay Grade:

Personnel Administrator's Signature (required): \_\_\_\_\_ Date: \_\_\_\_\_

**Appointing Authority's Section:**

Please review this completed job description but **do not alter** or eliminate any of the entries. Add any clarifying information and/or additional comments (if necessary) in the space below.

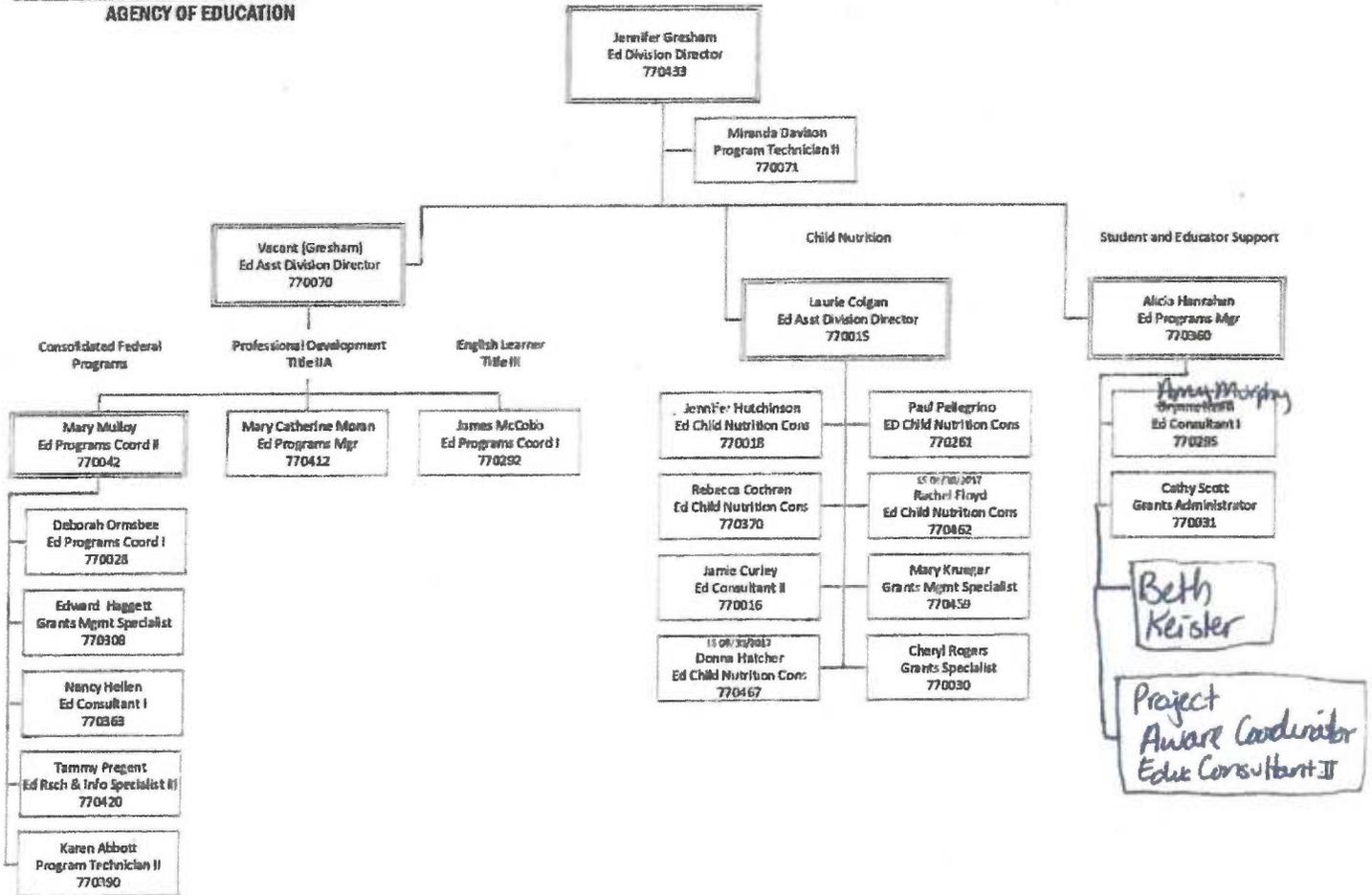
Suggested Title and/or Pay Grade:

\_\_\_\_\_  
Appointing Authority or Authorized Representative Signature (required)

\_\_\_\_\_  
Date



Federal & Education Support Programs



**Elmquist, Candace**

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**Subject:** RE: SAMHSA Project Aware

**From:** Gresham, Jennifer

**Sent:** Tuesday, October 9, 2018 8:32 AM

**To:** Gaidys, Maureen <Maureen.Gaidys@vermont.gov>; Elmquist, Candace <Candace.Elmquist@vermont.gov>

**Cc:** Flanagan, Kathy <Kathy.Flanagan@vermont.gov>; Byrne, Emily <Emily.Byrne@vermont.gov>; Bouchey, Heather <Heather.Bouchey@vermont.gov>

**Subject:** RE: SAMHSA Project Aware

Hello Candace,

As requested, these are the anticipated personal service contracts to be RFP'd sometime in FY19. Please let me know if you have any questions.

(2) State wide Professional Development	Training for LEA and DA staff	Not to exceed \$25,000 annually
(3) Statewide secure project database	Creation of secure project database	Not to exceed \$50,000 annually
(4) Consortium agreement with Department of Mental Health	Required travel for Project Co-Coordinator and support of DA staff	Not to exceed \$95,000
(5) Contract with organization to provide parent representative	Organization will provide representative for parent support to MH integration/schools/DA	Not to exceed \$50,000 annually
(6) Consortium agreement with Department of Mental Health	Extension of pre-existing Umatter grant to include additional trainings	Not to exceed \$75,000 annually
(7) Contract with evaluation consultant	Evaluation of project activities	Not to exceed \$30,000 annually

Best,

Jennifer

# Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • 802) 828-2295 • Fax: 802) 828-2483

## MEMORANDUM

To: Representative Janet Ancel, Chair  
 Senator Ann Cummings, Vice Chair  
 Senator Jane Kitchel  
 Representative Kitty Toll  
 Members of the Joint Fiscal Committee

From: Stephen Klein, Chief Fiscal Officer

Date: November 8, 2018

Subject: November 2018 – Fiscal Officer’s Report

What follows is an update of recent developments, some of which will be on the agenda for the November 8, 2018 meeting of the Joint Fiscal Committee.

### 1. FY 2019 Revenue Collection through October

Preliminary revenues through the first four months of the fiscal year continue to exceed targets in the General Fund. The Transportation Fund is just above target while the Education Fund is below target.

After the first four months, General Fund revenues are \$21.8 million, or 5.7%, higher than forecasted. Much of the strength is in the income tax and the corporate tax - both areas of uncertainty as the April true-up occurs. The income tax is up \$15.2 million or 6% and the corporate tax is up \$7.6 million or 29% above forecasted amounts. The estate tax is off \$2.8 million from forecasted amounts.

The Transportation Fund revenues are up \$1.4 million or 1.5% over forecast after the first four months of the fiscal year.

The Education Fund is below by \$4.6 million or -2.5% from forecast after the first four months of the fiscal year. The shortfall is in the sales tax, which is running \$4.8 million below projections. This shortfall is being partially offset by lottery and rooms and meals being just over forecast.

### 2. Medicaid Trend

Medicaid expenditures through October 26, 2018 are \$5.12 million or 1.6% above forecast. The forecast for Medicaid is to be essentially unchanged for the remainder of the fiscal year and adjusted slightly upwards for FY 2020. Overall, the following categories drive most of the variance in spending compared to the benchmark:

- \$709K in Drug rebates, under-collected (correlates to overspending)
- \$5.52M net overspending in Choice for Care and Regular claims

- \$951K Buy In, overspent
- \$567K Clawback, underspent

### **3. The Bond Rating Downgrade**

Moody's action dropping Vermont's rating from AAA to AA+ is disappointing; however, the financial impact is not likely to be large. Based upon the Treasurer and other projections, for \$100 million in bond issuance, the 20-year additional interest cost is estimated at \$500,000 to \$700,000. Of concern are the three areas that Moody's raised as considerations in their decision: Vermont's aging demographics, the State's long-term debt due largely to pension and OPEB obligations, and its lack of strong economic growth.

### **4. Federal Funding Changes**

In the past few months, several federal funding changes have arisen that are likely to impact Vermont:

- The State's Byrne grant that funds criminal justice activities may be impacted due to Vermont's approach to cooperation with federal immigration agencies
- The State fiscal year and the federal fiscal years differ by three months. The Federal Medicaid match rate for federal fiscal year 2019 went up for VT last year, and the Federal fiscal year 2020 rate came down a small amount. This timing difference results in the State fiscal year 2020 having an estimated beneficial fiscal impact of \$1.1 million. Assuming no change at the federal level for Federal fiscal year 2020, there will likely be a modest negative fiscal impact in State fiscal year 2021.
- A recently passed Federal Opioid bill may increase access to Medicaid for some selected mental health populations. Rulemaking is in process that should clarify the impacts of this bill to the state.

### **5. State Employees' and Teachers' Retirement Funds**

The actuarial reports for the State Employees' Retirement System and the State Teachers' Retirement System have been released.

- The state employees retirement system funded ratio of total pension liability based on the market value of assets went from 69.6% at the end of FY 2017 to 69.2% at the end of FY 2018.
- For FY 2020, the actuarially determined contribution is \$78,943,914, up from \$62,984,742 in FY 2019. This contribution is paid as a charge to agencies and represents the obligation shared by a variety of funds.
- The State Teachers Retirement System funded ratio of total pension liability based on the market value of assets went from 53% at the end of FY 2017 to 54.2% at the end of FY 2018.

- For FY 2020, the requested contribution is \$129,491,206. This is higher than the actuarial request. The normal cost paid from the Education Fund is \$7,116,765. An estimated \$5,700,000 to \$6,000,000 will be covered by school districts from federal grants leaving about \$116,500,000 to come from the General Fund if this request were to be funded.

## 6. Legislator Tax Status

As a result of the Tax Cuts and Jobs Act (TCJA, Federal Tax Reform), state legislators who live more than 50 miles from the state capital will no longer be able to deduct travel expenses on federal income tax returns. According to the IRS, this long-standing federal tax deduction, known as the “legislator tax home” provision, was suspended for taxable years 2018 through 2025 by the TCJA passed by Congress on December 22, 2017. The Legislative Council and the Joint Fiscal Office will be looking into this further to clarify the impacts.

## 7. Areas of Developing Legislative Work

A number of fiscal issues are coming up as the session draws closer. Among these are:

- *A Model to estimate the impact of retail sales of Marijuana.* The Governor’s Marijuana Advisory Commission is looking at this issue and the Tax Department and Joint Fiscal Office have been building analytical tools to understand potential revenue impacts. The Commission may recommend that State revenues collected from a future marijuana retail market should be in the form of a new excise tax, which would be a special fund receipt. This excise tax would be coupled with the existing sales tax.
- *Tax Modernization Fund Revisions.* Under current law, the Tax Modernization Fund, which has funded the new computer capacity at the Department of Taxes, will continue to be in place until 2024. The fund consists of 80% of the tax receipts received as a direct result of the implementation of the integrated tax system solution (including any additional data warehouse modules). Essentially, these are funds that would not have been collected without the new system. The fund’s revenue is currently outstripping expenditure need and the Department will be proposing to reduce the amount of this revenue set aside for IT expenses from 80% to 40% or 50%. This presentation will be provided to the Joint Fiscal Committee before the meeting and will be explained in more detail at the meeting. The positive financial impact to State funds would be realized in FY 2020 since it would require legislative changes.
- *The December 1, 2018 Tax letter.* The Department of Taxes with the participation of the Education Secretary and the Joint Fiscal Office is working on the letter required by December 1, 2018, that details projected education tax rates. This work includes consideration of the upgrade of the Sales tax receipts, lower projections of spending, and some savings from income sensitivity costs. Initial estimates indicate tax rate increases in the range of 2-4 cents. With the Act 46 changes there is ongoing uncertainty in developing this estimate.

- *Act 46 implementation issues.* A number of work requests are coming in to JFO related to Act 46 implementation issues as communities try to work through the implications of possible changes.

## **8. Studies and other Fiscal Office-related work**

- *Capital Gains tax expenditure evaluation.* As part of the Tax Expenditure Report, Graham Campbell will be including a full review of the Capital Gains Tax expenditure. This report should be completed in November.
- *The Basic Needs Budget.* The Basic Needs budget methodology is on the JFC agenda since the Committee needs to address some technical changes before the study is finalized. A memo on the basic needs proposal is attached.
- *Opioids Affecting Babies in Vermont.* In the next week or so, the Joint Fiscal Office will release an Issue Brief on “Births in Vermont Affected by the Opioid Epidemic.” It will be available on JFO’s webpage under New & Notable.
- *The Tax Structure Commission.* The appointment process for the Tax Structure Commission has yet to be completed. In the interim, we are interviewing candidates for the Commission’s staff director position. Two Commission members have been identified. The Governor has named Stephen Trenholm, CPA, a director in the Department of Taxes at Gallagher, Flynn & Company, LLP. The Speaker has named Deb Brighton of Salisbury, Vermont, who has been a consultant to the State and the Joint Fiscal Office on property taxes and other matters. To date, we have not heard of the Senate President Pro Tempore appointment. If appointments and staffing are finalized, we anticipate that an organizational meeting will be scheduled in late November or early December.
- *Corrections Health Study.* The Corrections health care study is underway and the study consultants will be presenting interim findings to the Corrections Oversight Committee during the next few weeks.

## **9 Joint Fiscal Office Updates**

- *Redevelopment of the JFO website.* The Joint Fiscal Office is working with Bluehouse Group, the same contractor that developed and manages changes to the Legislature’s website. This work will improve the JFO website by better visually aligning with the Legislature’s site as well as improving the search function. We hope to have the revised website up before the legislative session in January.



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee Members  
From: Daniel Dickerson, Fiscal Analyst  
Date: November 6, 2018  
Subject: 2019 Basic Needs Budget

In accordance with 2 V.S.A. § 505, the Joint Fiscal Office must report the basic needs budget (BNB) and livable wage on or before January 15 of each new legislative biennium. Any modifications to the existing methodology shall be approved by the Joint Fiscal Committee no later than November of the year preceding the release of the report. For the 2019 Basic Needs Budget report, the Joint Fiscal Office has suggested two modifications to the methodology from the previous report.

Additionally, the Joint Fiscal Office recommends that during the upcoming biennium the Legislature consider once again appointing a technical advisory council to work with the Joint Fiscal Office on the 2021 basic needs budget report. The 2021 report will be the 13th iteration over the past 20 years and it would be helpful to have a separate, independent set of eyes collaborate with JFO to review the statutory construct, current data sources and methodology that drive the basic needs budget and livable wage calculations and determine whether comprehensive changes could be made.

The suggested methodology changes for the 2019 report are outlined below. The Joint Fiscal Committee will be expected to vote on these proposed modifications at its meeting on November 8, 2018.

**1. Dental –**

- a. Proposal Summary: Use Vermont specific-data for out-of-pocket (OOP) dental costs provided by Northeast Delta Dental.
- b. Rationale: Until recently, finding relevant up to date dental OOP cost data proved elusive. As a result, previous reports relied on older MEPS national-level data trended forward to estimate OOP dental costs for family configurations. The data used for the 2019 report is Vermont-specific data provided by Northeast Delta Dental, which has significant market-share in Vermont. As a result of this methodology change, users will notice estimated dental OOP costs have increased significantly. For instance, estimated monthly OOP costs for a single person and a family of four increased from \$5 and \$20 to \$24 and \$83 respectively.
- c. Cost Impact: The impact to budgets from the proposed out-of-pocket cost methodology change is given in table I below. There is no difference in dental costs between urban and rural family configurations in the basic needs budget report.

Family Configuration	Dental Costs	
	2017	2019
Single	\$9	\$28
Single + 1 child	\$34	\$64
Single + 2 children	\$86	\$127
2 Adults, no children	\$34	\$70
2 Adults (1 working) + 2 children	\$91	\$150
2 adults (both working) + 2 children	\$91	\$150

## 2. Transportation –

- a. **Proposal Summary:** Continue to use data from the 2009 National Household Travel Survey (NHTS) for one more report but merge travel data from respondents living in urban clusters with data from respondents in rural areas.
- b. **Rationale:** The 2017 NHTS results were recently released but the number of respondents decreased significantly from the 2009 edition and the reported miles traveled also changed significantly from 2009 for many family configurations. The Joint Fiscal Office weighed whether to use the new data or alternative data options for calculating transportation costs but ultimately decided to continue using 2009 data pending further consideration by an advisory council or other body, as determined by the Legislature. JFO does recommend that data for urban clusters be merged with data for rural areas for the 2019 BNB report. In previous reports, urban clusters were ignored and only urban and rural data was used to calculate transportation costs. However, ignoring urban clusters left out data from many respondents and ultimately did not offer the most accurate depiction of rural travel patterns.<sup>1</sup> Using urban clusters will change the vehicle miles traveled (VMT) data shown in table II below.
- c. **Cost Impact:** The first four household lifecycles shown in table II have been historically used to calculate urban and rural transportation costs. The urban VMT numbers will not change in the 2019 report but the rural VMT numbers will change to the numbers shown in red above. The vehicle miles traveled data is multiplied by a mileage rate to arrive at the monthly cost per family configuration. The mileage rate is the annual IRS reimbursement rate for business travel adjusted by AAA cost-per-mile data to reflect varying per-mile costs for driving greater or fewer miles. None of this part of the methodology will change, however the IRS reimbursement rate and the AAA cost-per-mile data have increased since the most recent report. The transportation costs from the previous 2017 report and the upcoming 2019 report are given in table III below.

<sup>1</sup> For the basic needs budget, “urban” has traditionally been defined as Chittenden County, while “rural” has encompassed the rest of the state.

Vermont Household Life Cycle	Annual VMT/Driver (Mean)			
	Urban	Urban Cluster	Rural	New Rural <sup>2</sup>
One adult, no children	12,846	15,451	14,341	14,644
2+ adults, no children	12,827	11,874	15,093	14,657
One adult, youngest child 0-5	11,223	12,000	10,727	11,151
2+ adults, youngest child 0-5	10,731	13,267	18,728	18,085
One adult, youngest child 6-15	11,125	17,717	10,848	12,629
2+ adults, youngest child 6-15	10,620	14,723	15,297	15,194
One adult, youngest child 16-21	10,184	10,057	11,523	11,214
2+ adults, youngest child 16-21	9,327	7,296	12,232	11,537
One adult, retired, no children	4,734	6,263	8,802	8,285
2+ adults, retired, no children	7,936	7,584	10,439	10,088
All	10,745	11,939	14,058	13,733

Family Configuration	2017 Report		2019 Report	
	Urban	Rural	Urban	Rural
Single	\$491	\$516	\$503	\$512
Single + 1 child	\$480	\$459	\$486	\$483
Single + 2 children	\$480	\$459	\$486	\$483
2 Adults, no children	\$981	\$1,019	\$1,004	\$1,024
2 Adults (1 working) + 2 children	\$917	\$1,089	\$930	\$1,153
2 adults (both working) + 2 children	\$917	\$1,089	\$930	\$1,153

**Proposed Motion:** To accept the basic needs budget methodology changes proposed by the Joint Fiscal Office in its memo dated November 6, 2018 and to support the creation of a technical advisory council during the upcoming biennium, either through legislation or another means, to collaborate with the Joint Fiscal Office on a thorough review of the basic needs budget and livable wage study in order to recommend potential changes.

<sup>2</sup> Includes VMT data for urban clusters as well as rural areas. Annual VMT for urban clusters and rural areas were weighted by the number of samples for each when merging them into one category.



STATE OF VERMONT  
OFFICE OF LEGISLATIVE COUNCIL

MEMORANDUM

To: Members, Joint Fiscal Committee  
From: Rebecca Wasserman, Legislative Counsel, and Dan Dickerson, Fiscal Analyst  
Date: October 29, 2018  
Subject: Grant Approval Process, 32 V.S.A. § 5

**Introduction**

This memorandum identifies potential statutory interpretation issues with the grant acceptance provision, 32 V.S.A. § 5. The current language from 32 V.S.A. § 5 is attached to this memorandum as Appendix A for your reference.

**Potential Statutory Interpretation Issues**

The Office of Legislative Council (Legislative Council) and the Joint Fiscal Office (JFO) have identified potential statutory interpretation issues with the language set forth in 32 V.S.A. § 5 for the Joint Fiscal Committee (JFC) to consider. If the JFC determines statutory changes are required, Legislative Council and JFO could draft new language for introduction in the 2019 legislative session.

Below is a summary of the issues:

1. *Scope of approval:* As currently drafted, it is unclear whether all three branches of State government must meet the requirements set forth in 32 V.S.A. § 5 in order to accept a grant. 32 V.S.A. § 5(a) prohibits an “agency, department, commission, board, **or other part of State government**” (emphasis added) from accepting a grant, except as provided in statute. Without a definition of “or other part of State government,” there is an argument that the scope of the Governor’s role in the grant approval process extends outside the Executive Branch to the Legislative and Judicial Branches.
2. *Ambiguous terms:* 32 V.S.A. § 5 does not include a definition section, and the following terms may require clarification.
  - The prohibition on the acceptance of a grant applies to the “original” of a grant. Current practice only requires a new or “original” grant to go through the process. The ambiguity arises with respect to the interpretation of “original” as applied to the receipt of a grant that is then passed on from one

entity to another. For example, it is unclear whether a federal grant to a quasi-State entity that did not require approval under 32 V.S.A. § 5 will need approval if it is passed on to a State entity that falls under the statute. **Under current practice, approval under 32 V.S.A. § 5 would not be required in this scenario.**

- The grant approval process applies to “any grant, gift, loan, or any sum of money or thing of value.” It is unclear whether legal settlements would fall under this list of monetary gains to the State as a “sum of money or thing of value,” and be required to go through the process set forth in statute. **Under current practice, legal settlements do not go through the grant acceptance process.**
  - As drafted, there is an argument that the language requires any loan to the State to be accepted through the grant approval process. **Current practice only requires interest-free loans or below-market-value loans to go through the grant acceptance process.**
3. *Governor’s rejection of a grant:* The language provides for how the Governor’s approval of a grant becomes final but fails to address how the JFC or the General Assembly should proceed if the grant is rejected by the Governor.
  4. *Grant received immediately prior to the start of the legislation session:* When a grant is received at the end of December, **current practice is to hold over the grant to the start of the legislative session with some flexibility in treatment in the event of an emergency grant.** While the statute provides that the grant is final if no action is taken within “30 days of receipt of the grant information,” there may be a need for some clarification of the process for this time period immediately prior to the start of a legislation session.

**Appendix A**

**32 V.S.A. § 5**

§ 5. ACCEPTANCE OF GRANTS

(a) No original of any grant, gift, loan, or any sum of money or thing of value may be accepted by any agency, department, commission, board, or other part of State government except as follows:

(1) All such items must be submitted to the Governor who shall send a copy of the approval or rejection to the Joint Fiscal Committee through the Joint Fiscal Office together with the following information with respect to said items:

(A) the source of the grant, gift, or loan;

(B) the legal and referenced titles of the grant;

(C) the costs, direct and indirect, for the present and future years related to such a grant;

(D) the department and/or program which will utilize the grant;

(E) a brief statement of purpose;

(F) impact on existing programs if grant is not accepted.

(2) The Governor's approval shall be final unless within 30 days of receipt of such information a member of the Joint Fiscal Committee requests such grant be placed on the agenda of the Joint Fiscal Committee, or, when the General Assembly is in session, be held for legislative approval. In the event of such request, the grant shall not be accepted until approved by the Joint Fiscal Committee or the Legislature. The 30-day period may be reduced where expedited consideration is warranted in accordance with adopted Joint Fiscal Committee policies. During the legislative session, the Joint Fiscal Committee

shall file a notice with the House and Senate Clerks for publication in the respective calendars of any grant approval requests that are submitted by the administration.

(3)(A) This section shall not apply to the following items, if the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities:

(i) the acceptance of grants, gifts, donations, loans, or other things of value with a value of \$5,000.00 or less;

(ii) the acceptance by the Department of Forests, Parks and Recreation and the Department of Fish and Wildlife of grants, gifts, donations, loans, or other things of value with a value of \$15,000.00 or less; or

(iii) the acceptance by the Vermont Veterans' Home of grants, gifts, donations, loans, or other things of value with a value of \$10,000.00 or less.

(B) The Secretary of Administration and Joint Fiscal Office shall be promptly notified of the source, value, and purpose of any items received under this subdivision. The Joint Fiscal Office shall report all such items to the Joint Fiscal Committee quarterly. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

(4) With respect to acceptance of the original of a federal transportation earmark or of a discretionary federal grant for a transportation project, the provisions of subdivisions (1) and (2) of this subsection shall apply, except that in addition:

(A) notification of the Governor's approval or rejection shall also be made to the Chairs of the House and Senate Committees on Transportation; and

(B) such grant or earmark shall be placed on the agenda, and shall be subject to the approval, of a committee comprising the Joint Fiscal Committee and the Chairs of the House and Senate Committees on Transportation, if one of the Chairs or a member of the Joint Fiscal Committee so requests.

(b) In accordance with subsection (a) of this section, in conjunction with a grant, a limited service position request for a position explicitly stated for a specific purpose in the grant, may be authorized. The position shall terminate with the expiration of the grant funding unless otherwise funded by an act of the General Assembly. Such authorized limited service positions shall not be created until the appointing authority has certified to the Joint Fiscal Committee that there exists equipment and housing for the positions or that funds are available to purchase equipment and housing for the positions.

Examples of problematic grants

- JFO 2930 – Grant for the Judiciary from US HHS for \$2,041,347 for the Windsor, Windham and Orange court docket program. Grant materials had not gone through the executive branch approval process (form signatures) although statute implies that Governor’s approval is required.
- JFO 2915 – Grant from the National Archives for \$40,000 for a position within Secretary of State to improve historical records access. Position request was stuck in limbo within Administration for an extended period. Sec. of State’s office chafed a bit at the need for executive branch approval above and beyond the SoS, due to the delay. Expedited approval was ultimately granted.
- JFO 2912 – Grant from an estate for VHCB in the amount of \$107,792 to support general farm and forest conservation in VT. There was some internal discussion as to whether this grant required JFC review due to the quasi-governmental nature of VHCB, but this grant ultimately went through the review process. Only a very small number of grants to VHCB have gone through the JFC approval process, based on a count from the website, which begs the question of whether VHCB has accepted grants in the past without JFC review or whether JFC approval is not needed.
- JFO 2896-2897 – Grants from VHCB to Fish & Wildlife for combined amount of \$248,000 to facilitate land purchases for conservation areas. The issues for these grants relate to the definition of “original” and whether money coming to a quasi-governmental agency such as VHCB is an “original” or whether it isn’t “original” until it goes to a fully-governmental agency, or whether it would be “original” in both cases as it is new money for both entities.
- JFO 2803 – Grant to Commission on Women from the US Dept. of Labor for \$173,794 to study paid family leave. There was some controversy to this grant due to the proposed research consultant list. The grant was ultimately held from December until the legislative session when it was approved through legislation. Begs question about most appropriate means of legislative approval when a grant is held immediately prior to or during the session. Grant wasn’t ultimately approved until Governor signed bill on 3/8/16. Additionally, no clear statutory instruction for how to treat grants on election year between old and new JFC.



E.

# MOODY'S

## INVESTORS SERVICE

### **Rating Action: Moody's affirms Vermont's Aa2 transportation infrastructure bonds and property transfer tax bonds; outlook stable**

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23 Oct 2018

New York, October 23, 2018 -- Moody's Investors Service has affirmed the Aa2 rating on the State of Vermont's special obligation transportation infrastructure bonds (series 2010, 2012 and 2013) and the Aa2 rating on the Vermont Housing Finance Agency's property transfer tax revenue bonds (series 2018). The outlook remains stable.

#### RATINGS RATIONALE

The Aa2 rating on the state's transportation infrastructure bonds reflects a healthy tax base, a broad special tax pledge of motor fuel taxes, strong limitations on leveraging pledged motor fuel taxes and very healthy debt service coverage. The rating considers recent declines in pledged motor fuel taxes, but balances this against state action to set a floor in the taxable price of gasoline to mitigate the effects of large price declines.

The Aa2 rating on the property transfer tax bonds is heavily supported by the strong coverage provided by property transfer taxes and statutory restrictions on further leveraging pledged taxes. The rating considers these strengths in light of the very narrow tax pledge and the highly volatile nature of the total transfer tax stream.

#### RATING OUTLOOK

The stable outlook incorporates both the stable outlook of the state's general obligation rating and the expectation that coverage of annual debt service on both types of bonds by their respective pledges will remain strong.

#### FACTORS THAT COULD LEAD TO AN UPGRADE

-Sustained growth in pledged taxes or state actions that further strengthen the respective special tax pledges

#### FACTORS THAT COULD LEAD TO A DOWNGRADE

-Sustained decline in pledged taxes or statutory changes that weaken bondholder covenants

-A downgrade of the state's general obligation rating

#### LEGAL SECURITY

The transportation infrastructure bonds are secured by receipts of a 2% assessment on the retail price of each gallon of gasoline sold by distributors in the state and receipts of a \$0.03 assessment on each gallon of diesel fuel sold in the state.

The property transfer tax revenue bonds are secured by a statutory transfer of the first \$2.5 million of property transfer tax receipts from the state to the Vermont Housing Finance Agency (HFA). Act 85 of 2017 specifically allocates the first \$2.5 million of collections to the HFA to pay debt service on the authorized bonds.

#### USE OF PROCEEDS

Not applicable.

#### PROFILE

The State of Vermont is located in the northeast United States. Its estimated 2017 population of just under 624,000 makes it the second smallest state in the country. Its 2017 nominal GDP of \$32.2 billion is the smallest of the 50 states.

#### METHODOLOGY

The principal methodology used in these ratings was US Public Finance Special Tax Methodology published in July 2017. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

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## A HISTORY OF UNDERFUNDING THE ARC LED TO THE CURRENT UNDERFUNDING OF TEACHERS PLAN, FURTHER NEGATIVELY IMPACTED BY GREAT RECESSION

Year	Total VSTRS Payroll	Recommended Contribution For Budget Based on Actuarial Projection	Actual Contribution	\$ Difference: Act vs. Rec. (Uses Budget Beginning 1996)	Percentage of Request
1979	96,725,620	7,806,825	4,825,155	2,981,670	61.8%
1980	104,521,888	8,944,090	8,471,960	472,130	94.7%
1981	112,811,389	9,862,861	8,830,900	1,031,961	89.5%
1982	126,748,398	10,200,209	7,822,760	2,377,449	76.7%
1983	139,085,342	10,721,814	10,929,355	(207,541)	101.9%
1984	153,329,729	12,341,069	11,592,100	748,969	93.9%
1985	169,219,652	13,475,181	12,567,866	907,315	93.3%
1986	187,834,677	14,668,095	14,461,148	206,947	98.6%
1987	206,728,650	15,925,452	16,239,416	(313,964)	102.0%
1988	230,430,153	16,294,346	17,186,259	(891,913)	105.5%
1989	261,596,990	18,072,172	19,000,000	(927,828)	105.1%
1990	273,951,188	21,320,155	19,561,000	1,759,155	91.7%
1991	298,104,184	25,013,437	15,000,000	10,013,437	60.0%
1992	312,346,750	28,595,220	14,618,992	13,976,228	51.1%
1993	324,536,824	28,819,875	19,890,048	8,929,827	69.0%
1994	335,155,405	25,805,408	20,580,000	5,225,408	79.8%
1995	346,975,007	27,451,926	18,080,000	9,371,926	65.9%
1996	355,894,809	29,884,559	11,480,000	18,404,559	38.4%
1997	364,695,370	30,954,237	18,080,000	12,874,237	58.4%
1998	357,899,112	33,519,949	18,106,581	15,413,368	54.0%
1999	372,298,852	27,232,542	18,080,000	9,152,542	66.4%
2000	387,998,959	23,573,184	18,586,240	4,986,944	78.8%
2001	403,258,305	20,882,521	19,143,827	1,738,694	91.7%
2002	418,904,021	21,965,322	20,446,282	1,519,040	93.1%
2003	437,238,543	23,197,088	20,446,282	2,750,806	88.1%
2004	453,517,153	29,608,892	24,446,282	5,162,610	82.6%
2005	486,857,658	43,592,332	24,446,282	19,146,050	56.1%
2006	499,044,327	49,923,599	24,985,506	24,938,093	50.0%
2007	515,572,694	38,200,000	38,496,410	(296,410)	100.8%
2008	535,807,012	40,749,097	40,955,566	(206,469)	100.5%
2009	561,588,013	37,077,050	37,349,818	(272,768)	100.7%
2010	562,149,916	41,503,002	41,920,603	(417,601)	101.0%
2011	547,748,405	48,233,006	50,268,131	(2,035,125)	104.2%
2012	561,179,272	51,241,932	56,152,011	(4,910,079)	109.6%
2013	563,623,421	60,182,755	65,086,320	(4,903,565)	108.1%
2014	567,073,601	68,352,825	72,668,412	(4,315,587)	106.3%
2015	576,393,699	72,857,863	72,908,805	(50,942)	100.1%

## **EMPLOYEE CONTRIBUTIONS HAVE INCREASED**

- **Teachers (VSTRS):**

In 2009, a teacher paid 3.54% of salary for their pension. Employees agreed to an increase to 5% effective 7/1/10. Employees also agreed to work longer to receive a full benefit – the result was a reduction for taxpayers of \$15 million per year in the ARC, increasing over time.

For new employees after 7/1/15, that increased to 6%, generating \$1 million initial annual savings, increasing each year

- **State Employees (VSERS):**

In 2010, Group A, D and F employees were paying 5.1% of pay for their retirement, scheduled to go to 4.85% in FY16

Employees agreed to increase this to 6.4% effective 7/1/10. In 2016, employees agreed to increase to 6.65%. Group C employees agreed to similar increases and are paying 8.53% of payroll today. For FY17, this is estimated to result in at least \$8.4 million in additional contributions from state employees.

## **HISTORY OF DISCIPLINED INCREMENTAL STEPS TO REDUCE PENSION AND RETIREE HEALTH CARE LIABILITIES**

**2005:** Teacher Study made changes to the State's actuarial methods and put full funding of the ARC on track. The Legislature has consistently adopted a budget with full funding of the ARC since 2007

**2008:** Committee restructured state system (VSERS) Group F benefits, lengthening age of retirement, effective in FY2009, in concert with health care changes

**2009:** Pension and Health Care Study completed providing basis for negotiated savings over the next few years for both VSERS and the teachers' (VSTRS) system

**2010 VSTRS:** Lengthened age for normal retirement, contribution increases, and other changes, effective in FY2011, resulting in **\$15 million in annual pension savings. In addition to pension costs, additional health care savings accrued**

**2011 VSERS:** Employee contribution rate increases beginning FY2012, initially generating **\$5 million in savings per year, increasing each year**

**2011-2012 VSTRS:** Secured **one-time revenues in excess of \$5 million for VSERS and VSTRS** under the Federal Early Retirement Reinsurance Program

**2012 - 2015:** Incremental increases in employee and employer contributions to municipal system (VMERS), demonstrating shared responsibility by all parties. These changes put VMERS on a stronger financial track

**2014 VSTRS:** additional contribution increases for new and non-vested members, effective FY2015, generating **\$1 million initial annual savings, increasing each year**

**2014 VSTRS:** Statute change permitting that teacher pension costs be charged to federal grants, effective FY2016, creating an estimated **\$3 to \$4 million of savings per year**

## **HISTORY OF DISCIPLINED INCREMENTAL STEPS TO REDUCE PENSION AND RETIREE HEALTH CARE LIABILITIES (ctd.)**

- 2015: Created Retired Teachers Health and Medical Benefits Fund starting FY2015
  - Since the 1980s, health care premiums for teachers were paid out of a sub-trust of teachers pension fund. By 2014 this arrangement was costing over \$20 million per year in interest costs.
  - Collaborative solution: Successfully convened over a dozen stakeholders, including employee group, to address the problem with combined pension/health care changes. In addition to pension and health care changes previously stated, a new health care assessment for LEAs was implemented, linking local employment decisions to the benefit costs.
  - Projected to save taxpayers \$480 million in unfunded liability interest costs through FY2038.
- 2016: Changes to the amortization financing schedule for VSERS and VSTRS. Will result in saving \$165 million in interest from present to 2038.
- 2016: Increased employee contributions will result in \$1.2 million in annual savings, with savings growing larger in future years.
- 2018: Paid additional \$26.2 million above ADEC for VSTRS and \$12.5 million for VSERS
- 2018: Risk Assessment per ASOP 51 Early Implementation by State
- 2019-2020: Amortization Plan enacted in 2016 takes effect

### **At the same time creating additional Transparency and Accountability**

- 2013: Pension forfeiture statute adopted for all three systems (VSERS, VSTRS, VMERS).
- 2015: VSERS Disability retirement reform permitting wage verification of disability pensioners.

### **Collaborative Approach Key to Success**

- All benefit changes made through collaborative efforts involving Administration, Treasurer's Office, Legislature and employee groups.
- No court litigation/disruptions in planned implementations.

### **Recent Actuarial Assumption Changes:**

- Lowered investment rate of return assumption to 7.5% based on independent analysis by actuary and pension consultant.
- Updated mortality table assumptions.



NATIONAL ASSOCIATION OF  
STATE TREASURERS

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Dear Mr. Seymour:

We are writing in response to your Request for Comment ("RFC") on the proposed revisions to your U.S. States Rating Methodology. The National Association for State Treasurers represents the state chief financial officers typically engaged in bond transactions at a state level. Our members routinely engage with Moody's and other rating agencies and are keenly interested in the methodology used in their analyses. We want to thank you for the opportunity to submit comments. As a group, we have outlined a few areas of concern.

At the highest level, our concerns with the proposed criteria relate to the inclusion of U.S. territories in the proposed new criteria and the proposed adjustment of the weights for three of the four factors, with economy increasing from 20% to 25%, debt and pensions increasing from 20% to 25% and governance decreasing from 30% to 20%.

**Viewing Territories and States through the Same Criteria:**

Given the massive disparities between most U.S. territories and states, it seems fairly problematic to use the same criteria for both states and territories. The political structure, revenue structure, economic strength and diversity, and other factors differ considerably between the two groups. There is a risk of unintended and unwarranted scoring consequences for states, including smaller states that do not share the attributes of U.S. territories.

**Governance factor:**

We ask that you reconsider reducing the weight of the Governance factor. We believe this is the strongest possible indicator of a state's ability to repay its debts. In fact, in many ways, Governance is the only factor over which a state government has immediate, full control and influence. It is the truest indicator of a state's political will to manage and balance its budget, maintain responsible practices, and cut spending or raise taxes when necessary.

Other factors in your analysis can be heavily influenced by national and regional economics and politics. Thus, they do not accurately measure the will of a state government to make what are often tough choices necessary to meet its obligations. In fact, when changes to economic or demographic circumstances are imposed upon a state, it is ultimately the manner in which the state reacts that truly demonstrates to the market the level of risk involved in purchasing that debt. That reaction and the capacity, ability, and will to react are measured by the Governance factor.

### **Finances Factor and Debt and Pensions Factor:**

Previously, the Finances factor had three components: (i) revenue diversity, volatility and growth, (ii) structural balance and reserves, and (iii) liquidity. Under the new criteria, the two sub-factors, structural balance and reserves and liquidity remain, but the revenue diversity, volatility and growth subfactor has been replaced by a Fixed Cost Ratio. The Fixed Cost Ratio is calculated to be the sum of Moody's tread water annual pension cost, debt service and the annual OPEB payment divided by own source revenue. A strong argument can be made that the Fixed Cost Ratio adds to the weight of the debt and pensions factor since those costs are associated with a state's liabilities. The Debt and Pensions factor makes up 20% of the total rating score in the 2013 criteria. Under the proposed criteria, the stated Debt and Pensions factor increases to 25%. Adding in the "weight" of the new Fixed Cost Ratio, which is 10% of the overall scorecard rating, would essentially result in the total debt and pension weight increasing from 20% to 35%. Since the combined impact of these two debt/pension metrics is not stated explicitly in the proposed methodology (instead the proposed methodology states the weight of the debt and pensions factor increases to 25%), we would appreciate getting Moody's thoughts on this observation.

### **Calculation of ANPL:**

Within the Debt and Pensions factor (25% of the total score), Moody's calculates an issuer's Adjusted Net Pension Liability (ANPL) independently. In calculating the ANPL, we understand Moody's methodology uses both market value of the liability and Citi's Pension Liability Index as a discount. Thus, ANPL calculation has the impact of relatively significant swings in an issuer's ANPL. For example, for the State of Washington, Moody's has calculated the ANPL / Own-Source Govt Funds Revenue to range from 45% in 2012 to 102.9% two years later in 2014. This significant volatility in the Moody's ANPL, will at times likely have a large annual scoring effect that might not reflect long-term credit changes. We note that the three-year average ANPL will likely result in less volatility.

### **Economic Factor and Nominal State GDP**

The proposed change in the use of Nominal GDP as a 50% subfactor for the Economy Factor would represent 12.5% of the scorecard rating. The use of Nominal GDP as a subfactor would introduce a concept where the size of the state would directly affect the credit scoring. Your RFC states that "the size of an economy is a strong indicator of the breadth and diversity of a state and is a good proxy for its capacity to carry liabilities." This is a generalization, of course, and therefore has its limitations. Some states with small economies enjoy significant sector diversity. Great care must be taken in the application of Factor 6 to ensure that states with small but diverse economies are not unduly penalized for their size.

### **Qualitative subfactors:**

Within the Structural Balance and Liquidity and Fund Balance factor (together these two subfactors represent 20% of the total score), Moody's uses very general terms like "ample, solid, adequate and weakening" to define its various categories. While we do not want to recommend specific

quantitative targets, we believe it would be helpful to improve the guidance for these subfactors to better understand how Moody's assesses these subfactors.

We recognize the difficult balancing act in which rating agencies must engage and appreciate the thoughtfulness you put into developing and reviewing your methodology. We also appreciate the opportunity to comment on these proposed revisions and thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads "Shaun Snyder". The signature is written in a cursive, flowing style.

Shaun Snyder, JD, MBA  
Executive Director

VERMONT OFFICIAL STATE WEBSITE



STATE OF VERMONT  
**Office of the State Treasurer**

[PRESS RELEASES \(/CONTENT/ABOUT-US/PRESS-RELEASE\)](#)

## STATE TREASURER BETH PEARCE COMMENTS ON MOODY'S DOWNGRADE OF VERMONT'S BOND RATING

23 OCTOBER 2018

MONTPELIER, VT – Vermont State Treasurer Beth Pearce issued the following statement after Moody's Investors Service announced that the state's Aaa bond rating was revised downward to Aa1 with a stable outlook.

"The Treasurer's Office was notified today that Moody's Investors Service has downgraded the general obligation credit rating of the State of Vermont from Aaa to Aa1, their second highest rating. No change has been made by Fitch Ratings, for which Vermont has the highest possible AAA rating, nor Standard & Poor's, for which Vermont has the second highest AA+ rating.

"In their report, Moody's identified several areas of concern. We need to work collaboratively to address issues such as Vermont's aging population, slow economic growth, and above average long-term pension and post retirement liabilities relative to GDP. These challenges are real, but they are accompanied by many positive strengths that have been identified by all three rating agencies.

"Moody's decision follows April 2018 changes to the criteria they use to assess state financial health. While Moody's updated methodology made maintaining a Aaa rating more challenging for small states, such as Vermont, this is not the time to resign ourselves to that outcome. Vermont is still the highest rated state in New England.

"I am confident that the Governor, General Assembly, and my office will partner with other state and local officials to address our shared challenges. We must focus on regaining our Aaa rating and achieving a triple-A rating from all three rating agencies as we work together to improve the economic prosperity of all Vermonters."



<http://www.vermonttreasurer.gov/content/retirement>

**Planning for Retirement**

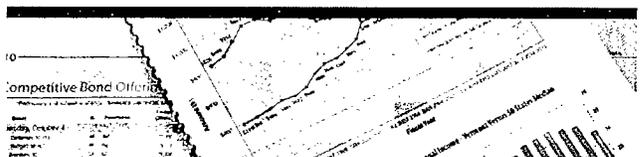
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(<https://www.vermonttreasurer.gov/content/cash/disclaim>) (<https://www.vermonttreasurer.gov/content/retirement/v>)

**Financial Transparency**

The Treasurer's Office is committed to providing key data and information about its operations.

(<https://www.vermonttreasurer.gov/content/cash/disclaim>)

**Pension Investment**

Find data, reports, meeting information, and learn about the Vermont Pension Investment Committee (VPIC).

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**TAGS:**

[Press Release \(/tags/press-release\)](#)

**Contact Us**



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Ashlynn Doyon at [treasurers.office@vermont.gov](mailto:treasurers.office@vermont.gov)

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**November**

S	M	T	W	T	F	S	
					1	2	3
4	5	6	7	8	9	10	
11	12	13	14	15	16	17	
18	19	20	21	22	23	24	
25	26	27	28	29	30		

Based on current credit spreads in the municipal bond market, for a \$150 million GO bond issue with a reduction from the Moody's prior "Aaa" rating to the revised rating of "Aa1" would likely result in approximately \$1.0 million increase in the cost of borrowing. In May 2018, the estimated cost of going from a AAA rating to a generic double-A rating was \$3.0 million. The difference between the two estimates reflects changes in the market, a single "notch" adjustment by Moody's (instead of a two notch adjustment consistent with a generic double-A rating) and no change in the State's current Fitch and S&P ratings.

		Principal Amount	"AAA"		"Aa1"		Diff	10/22/18 MMD
			Interest Rate	Interest Cost	Interest Rate	Interest Cost		
1	6/30/2019	7,500,000	1.90%	4,038,750	1.9100%	4,127,250	0.01%	1.90%
2	6/30/2020	7,500,000	2.05%	3,896,250	2.0700%	3,984,000	0.02%	2.05%
3	6/30/2021	7,500,000	2.12%	3,742,500	2.1600%	3,828,750	0.04%	2.12%
4	6/30/2022	7,500,000	2.21%	3,583,500	2.2600%	3,666,750	0.05%	2.21%
5	6/30/2023	7,500,000	2.30%	3,417,750	2.3600%	3,497,250	0.06%	2.30%
6	6/30/2024	7,500,000	2.39%	3,245,250	2.4600%	3,320,250	0.07%	2.39%
7	6/30/2025	7,500,000	2.48%	3,066,000	2.5500%	3,135,750	0.07%	2.48%
8	6/30/2026	7,500,000	2.56%	2,880,000	2.6300%	2,944,500	0.07%	2.56%
9	6/30/2027	7,500,000	2.65%	2,688,000	2.7200%	2,747,250	0.07%	2.65%
10	6/30/2028	7,500,000	2.73%	2,489,250	2.8000%	2,543,250	0.07%	2.73%
11	6/30/2029	7,500,000	2.80%	2,284,500	2.8700%	2,333,250	0.07%	2.80%
12	6/30/2030	7,500,000	2.87%	2,074,500	2.9400%	2,118,000	0.07%	2.87%
13	6/30/2031	7,500,000	2.92%	1,859,250	2.9900%	1,897,500	0.07%	2.92%
14	6/30/2032	7,500,000	2.97%	1,640,250	3.0400%	1,673,250	0.07%	2.97%
15	6/30/2033	7,500,000	3.02%	1,417,500	3.0900%	1,445,250	0.07%	3.02%
16	6/30/2034	7,500,000	3.08%	1,191,000	3.1400%	1,213,500	0.06%	3.08%
17	6/30/2035	7,500,000	3.14%	960,000	3.2000%	978,000	0.06%	3.14%
18	6/30/2036	7,500,000	3.19%	724,500	3.2500%	738,000	0.06%	3.19%
19	6/30/2037	7,500,000	3.22%	485,250	3.2800%	494,250	0.06%	3.22%
20	6/30/2038	7,500,000	3.25%	243,750	3.3100%	248,250	0.06%	3.25%
		<u>150,000,000</u>		<u>45,927,750</u>		<u>46,934,250</u>		

"Aa1 Rating"

Cost Increase vs AAA

1,006,500

**CREDIT OPINION**

24 October 2018

 Rate this Research

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## Vermont (State of)

### Update to credit analysis - special tax bonds

**Summary**

The State of Vermont's (Aa1 stable) transportation infrastructure bonds (Aa2 stable) have maintained strong debt service coverage despite recent declines in pledged gasoline and diesel assessments. Coverage will withstand declines in the price of gasoline based on action the state took in 2015 to set a floor in the per gallon assessment. Changes in consumption will still have an impact, but the downward effect would have to be substantial to pressure debt service coverage.

The Vermont Housing Finance Agency's series 2018 property transfer tax bonds (Aa2 stable) are also supported by state taxes. The total transfer tax base is highly volatile, though is currently enjoying steady growth. The specific pledge on the 2018 bonds is a transfer by the state of the first \$2.5 million of transfer taxes to the agency. This transfer represents a small share of the total tax base and also insulates the bonds from volatility in the tax.

**Credit strengths**

- » Limitations on issuing additional debt are strong - the additional bonds test for the transportation bonds is 2.0x maximum annual debt service; the transfer tax bonds carry other statutory limitations
- » Strong debt service coverage by pledged motor fuel taxes of the transportation bonds and strong state support evidenced by recent establishment of a floor on the taxable price of gasoline
- » The property transfer tax bonds are supported by a statutory transfer of the first \$2.5 million of taxes collected, while the entire stream of revenue provides substantial coverage

**Credit challenges**

- » Revenue volatility is high in both cases and motor fuel taxes have fallen in recent years

**Rating outlook**

The stable outlook incorporates both the stable outlook of the state's general obligation rating and our expectation that coverage of annual debt service on both types of bonds by their respective pledges will remain strong.

**Factors that could lead to an upgrade**

- » Sustained growth in pledged taxes or state actions that further strengthen the respective special tax pledges

## Factors that could lead to a downgrade

- » Sustained declines in pledged taxes or statutory changes that weaken bondholder covenants
- » A downgrade of the state's general obligation rating

## Key indicators

Exhibit 1

Vermont Transportation Infrastructure Bonds					
Credit Background					
Pledged Revenues	Fuel taxes				
Legal Structure					
Additional Bonds Test	2.0x MADS				
Open or Closed Lien	Open Lien				
Debt Service Reserve Fund Requirement	DSFF funded at lesser of standard 3-prong test				
MADS Coverage					
2017 MADS Coverage (x)	5.9x				
Trend Analysis					
	2013	2014	2015	2016	2017
Debt Outstanding (\$000)	34,255	32,865	31,395	29,885	28,340
Revenues (\$000)	23,000	21,000	20,247	14,900	14,700
Annual Debt Service Coverage (x)	14.3x	8.8x	8.1x	6.0x	5.9x

Source: State of Vermont

Exhibit 2

Vermont Property Transfer Tax Bonds					
Credit Background					
Pledged Revenues	Property transfer taxes				
Legal Structure					
Additional Bonds Test	1.0x MADS*				
Open or Closed Lien	Open Lien				
Debt Service Reserve Fund Requirement	No DSFF				
MADS Coverage					
2017 MADS Coverage (x)	15.5x **				
Trend Analysis					
	2013	2014	2015	2016	2017
Debt Outstanding (\$000)	-	-	-	-	37,825
Revenues (\$000)***	28,514	30,931	33,604	35,700	38,823
Annual Debt Service Coverage (x)****	11.4x	12.4x	13.4x	14.3x	15.5x

\* Technically, the lien is open and the ABT is 1.0x. However, there are other restrictions to issuing additional debt that we discuss in detail below.

\*\* Fiscal 2017 total tax collections divided by MADS of \$2.5 million.

\*\*\* Total property transfer taxes collected by the state.

\*\*\*\* This is total taxes collected in each year divided by MADS of \$2.5 million. The bonds were issued in 2018, with the first debt service payments occurring in the same year.

Source: State of Vermont

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for the most updated credit rating action information and rating history.

## Profile

The State of Vermont is located in the northeast United States. Its estimated 2017 population of just under 624,000 makes it the second smallest state in the country. Its 2017 nominal GDP of \$32.2 billion is the smallest of the 50 states.

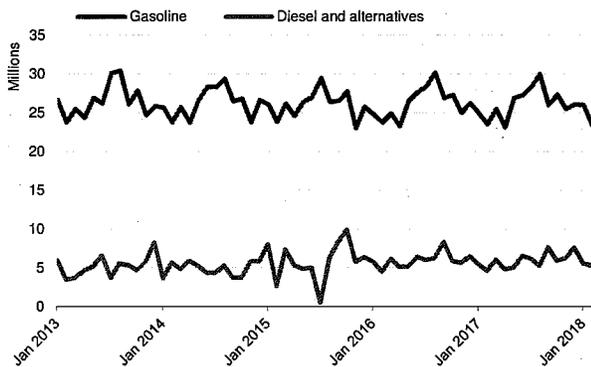
## Detailed credit considerations

### Tax base and nature of pledge

Vermont levies various taxes on motor fuels distributed within the state. Of these taxes, the pledge on the transportation infrastructure bonds consists of a 2% assessment on the retail price of each gallon of gasoline distributed and a \$0.03 assessment on each gallon of diesel distributed. Collections of both assessments are heavily influenced by the price and consumption of each fuel. However, in 2015, the state enacted a statute that created a floor in the taxable price of gasoline. The statute sets the floor in the assessment at \$0.0396 per gallon of gasoline, which translates into a floor in the taxable retail price of gasoline of \$1.98 per gallon. The gasoline assessment typically makes up 85-90% of total pledged assessments.

Exhibit 3

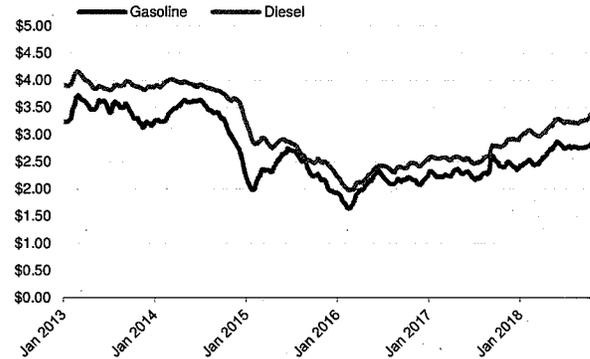
Consumption of motor fuels in Vermont is fairly stable  
Monthly gallons of motor fuels sold in Vermont



Data reported through February 2018.  
Source: US Federal Highway Administration

Exhibit 4

The price of both fuels is climbing slowly after a large and steady decline  
Average weekly retail price per gallon



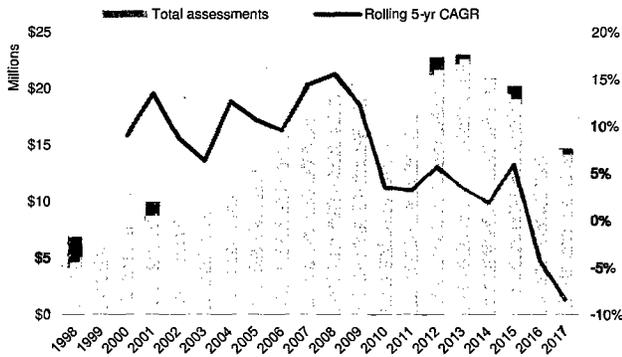
Gasoline prices are for regular grade, conventional gasoline.  
Source: US Energy Information Administration

Debt service on the property transfer tax bonds is secured by an annual transfer of \$2.5 million of the state's property transfer taxes by the state to the Vermont Housing Finance Agency (HFA). When a property is purchased in Vermont, the buyer must pay a property transfer tax of 1.25% of the purchase price. The tax is subject to various exceptions, the most notable being a reduced tax of 0.5% on the first \$100,000 of a property purchased as a principal residence. The total tax base is much larger than the \$2.5 million transfer. In fiscal 2017, the state collected \$38.8 million in total property transfer taxes.

### Debt service coverage and revenue metrics

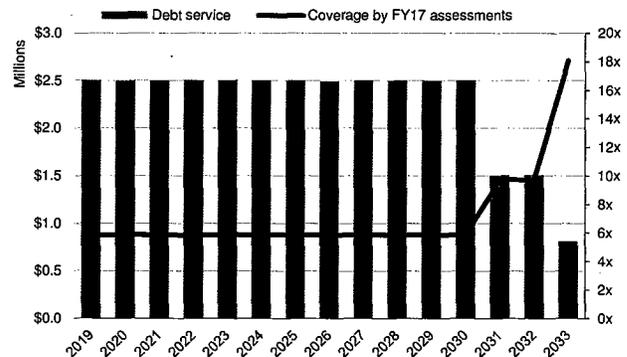
Fiscal 2017 fuel assessments covered maximum annual debt service on the transportation infrastructure bonds 5.9x. Though coverage dropped significantly over the past several years (see Exhibit 1 above), we do not expect any material declines from the most recent level given the state's statutory floor on the taxable price of gasoline. Pledged gasoline assessments in fiscal 2016 and fiscal 2017 were essentially as low as they could go based on price alone (Exhibit 5). Substantial drops in consumption could bring collections lower. Vermont has one of the nation's highest rates of electric vehicle ownership, though this share is estimated at only 2-3% of car ownership. Growth in this metric could push consumption down, but the downward effect would have to be substantial to pressure debt service coverage (Exhibit 6).

**Exhibit 5**  
Gasoline and diesel assessments fell rapidly over the past several years



Source: State of Vermont

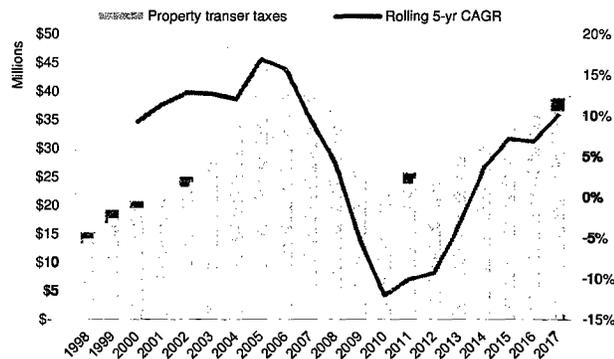
**Exhibit 6**  
Coverage remains strong and debt service is flat before declining as bonds reach full maturity



Source: State of Vermont

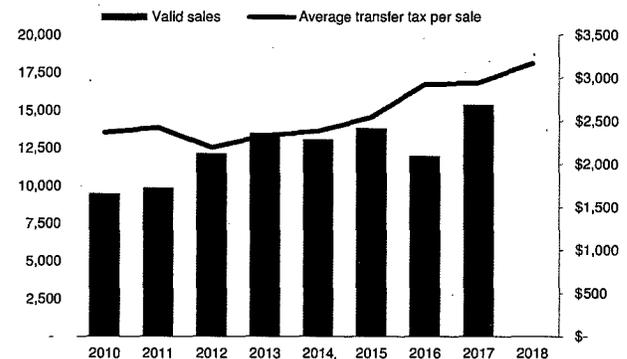
Likewise, the state's property transfer taxes would have to decline like they never have in order to impact debt service coverage. State statute requires the state to transfer the first \$2.5 million of transfer taxes to the HFA for debt service, though, as noted above, the state collected a total of \$38.8 million in total taxes. The \$2.5 million transfer is equal to annual debt service on the series 2017 bonds. Similar to the floor on the taxable price of gasoline, the state's transfer of the first \$2.5 million of transfer taxes insulates bond payments from a significant decline in what is a very volatile tax (Exhibit 7). The statutory transfer covers maximum annual debt service 1.0x. However, the entire fiscal 2017 stream of property transfer taxes covered maximum annual debt service 15.5x.

**Exhibit 7**  
Transfer taxes are now steadily growing again, but have great potential for large declines  
Annual taxes collected by fiscal year



Source: State of Vermont

**Exhibit 8**  
Trend in property sales is strong and average taxes per sale are rising  
Annual sales and average taxes per sale by calendar year



2018 tax per sale is based on 2,917 valid sales and \$9.3 million of taxes collected between January and March 2018.

Source: State of Vermont

**LIQUIDITY**

The State of Vermont rapidly rebuilt its cash reserves after the 2007-09 recession and has kept liquidity at a strong level. Monthly average unrestricted cash held by the state treasurer hovered around 9% of combined general, education and transportation fund revenue over the past several years. We do not anticipate a material change in liquidity in the coming years.

**Debt and legal covenants**

There are \$26.8 million of transportation infrastructure bonds outstanding and \$35.7 million of property transfer tax bonds outstanding. The infrastructure bonds have an additional bonds test (ABT) of 2.0x maximum annual debt service. A debt service reserve maintained at the least of 10% of original bond principal, 125% of average annual debt service, and 100% of maximum annual debt service supports the transportation infrastructure bonds.

There is no traditional ABT for the transfer tax bonds. Rather, current statute limits the amount of annual debt service to the amount of transfer taxes that the state transfers to the HFA. Debt service on the series 2017 bonds is equal to this statutory transfer. If the HFA sought to issue additional bonds on a basis equal to the 2017 bonds, the state would have to increase the amount transferred in statute. Further, the HFA must receive confirmation from rating agencies that currently rate the bonds that the issuance of additional parity debt would not result in a downgrade of the rating on the existing bonds. On top of this issuance restriction, the state covenants in the indenture not to reduce the rate of the property transfer tax such that annual taxes would fall below \$12 million. There is no debt service reserve requirement for the transfer tax bonds.

**DEBT STRUCTURE**

Bonds secured by both special taxes are fixed rate.

**DEBT-RELATED DERIVATIVES**

Vermont is not party to any debt-related derivatives.

**PENSIONS AND OPEB**

We discuss Vermont's pension and OPEB obligations in our recent [state credit opinion](#) published on October 24, 2018.

**Management and governance**

The State of Vermont controls the rates of taxation that support both the transportation infrastructure bonds and the HFA's property transfer tax bonds. In 2015, the state adopted a statute that effectively strengthened its support of the infrastructure bonds by setting a floor in the taxable price of gasoline. Though gas taxes remain subject to changes in consumption, the taxable price floor protects the revenue stream from a large drop in the retail price of gasoline. With regard to the property transfer tax, state statute dictates the amount of transfer tax that the state must transfer to the HFA each year. As discussed above, the amount of this statutory transfer is equal to annual debt service on the existing bonds.

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# MOODY'S

## INVESTORS SERVICE

### **Rating Action: Moody's downgrades Vermont's GO to Aa1; outlook remains stable**

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23 Oct 2018

New York, October 23, 2018 -- Moody's Investors Service has downgraded the State of Vermont's general obligation (GO) bond rating to Aa1 from Aaa. Concurrently, Moody's has downgraded to Aa3 from Aa2 the rating on debt issued by the Vermont Student Assistance Corporation that is supported by the state's moral obligation pledge and to A1 from Aa3 the rating on debt issued by the Vermont Economic Development Authority and Vermont Educational and Health Buildings Financing Agency that is supported by annual appropriations of the state. Lastly, Moody's has downgraded to Aa2 from Aa1 the rating on the Vermont State Aid Intercept Program. The outlook for the state is stable. The outlook for the intercept program is also stable.

#### RATINGS RATIONALE

The downgrade of the ratings incorporates an economic base that faces low growth prospects from an aging population. At the same time, the state's leverage, measured by debt and unfunded post-employment obligations relative to GDP, is high among states and especially so among the highest rated states. With slower than average growth, Vermont's long-term liabilities will weigh more heavily on its economic base and may manifest in growing cost pressures.

The Aa1 GO rating balances these challenges against the underlying health of Vermont's economy, a stable and solid financial position, and strong management and governance of state fiscal matters.

The Aa3 rating on the Education Loan Revenue Bonds issued by the Vermont Student Assistance Corporation reflects a two notch distinction from the state's GO rating to incorporate the moral obligation's strong legal framework and more essential nature of the financing. Payment of the bonds is supported by the state's moral obligation pledge to appropriate funds to maintain a debt service reserve fund for the benefit of bondholders. The bonds financed student loans under the corporation's fixed rate loan program.

The A1 rating on Mental Health Services Bonds issued by the Vermont Economic Development Authority and Vermont Educational and Health Buildings Financing Agency reflects a three notch distinction from the state's GO rating to incorporate the weak legal framework associated with the bonds and the more essential nature of the developmental disability services provided at the financed facilities. The state annually appropriates funds to providers of the developmental disability services, a portion of which the state transfers directly to the bond trustees for bond payment, under direction of the providers.

The Aa2 rating on the Vermont State Aid Intercept Program reflects a statutory requirement that the state treasurer withhold funds payable to a governmental unit that has defaulted on a loan payment to the Vermont Municipal Bond Bank and use those funds to cure as much as possible that unit's default.

#### RATING OUTLOOK

The stable outlook reflects the expectation that Vermont's strengths in governance and financial management will mitigate the impacts of current economic and demographic trends.

#### FACTORS THAT COULD LEAD TO AN UPGRADE

- Improved demographic and economic trends that more closely track those of the nation and other highly rated states
- Moderated leverage, especially unfunded pensions and retiree health care liabilities, relative to state GDP

#### FACTORS THAT COULD LEAD TO A DOWNGRADE

- Sustained growth in debt or unfunded post-employment liabilities that outpaces economic expansion
- A slowdown in economic development or revenue growth

-A departure from strong fiscal management practices

#### LEGAL SECURITY

Vermont's general obligation bonds are a full faith and credit obligation of the state backed by the state's authority to levy taxes without limitation as to rate or amount.

The Mental Health Services Bonds issued by the Vermont Economic Development Authority and Vermont Educational and Health Buildings Finance Agency are secured by payments appropriated by the state to providers of developmental disability services.

The Education Loan Revenue Bonds issued by the Vermont Student Assistance Corporation are secured by payments made by student loan borrowers and a debt service reserve fund that the state pledges to replenish, subject to appropriation, should a draw on the reserve be made to pay debt service.

The legal security for the state aid intercept program is a state law, Act 77, that requires the treasurer to intercept funds payable to an issuer that has defaulted on a loan payment to the Vermont Municipal Bond Bank.

#### USE OF PROCEEDS

Not applicable.

#### PROFILE

The State of Vermont is located in the northeast United States. Its estimated 2017 population of just under 624,000 makes it the second smallest state in the country. Its 2017 nominal GDP of \$32.2 billion is the smallest of the 50 states.

#### METHODOLOGY

The principal methodology used in the general obligation ratings was US States and Territories published in April 2018. The principal methodology used in the appropriation and moral obligation ratings was Lease, Appropriation, Moral Obligation and Comparable Debt of US State and Local Governments published in July 2018. The principal methodology used in the enhanced provider rating was State Aid Intercept Programs and Financings published in December 2017. Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of these methodologies.

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**CREDIT OPINION**

24 October 2018


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# Vermont (State of)

## Update to credit analysis following downgrade

**Summary**

The State of Vermont (Aa1 stable) carries a healthy economic profile, stable finances and strong fiscal management. It is the smallest US state economy and has the second smallest population, but unemployment is low, resident income is above average and educational attainment is high. At the same time, Vermont's performance on multiple economic measures lags that of the US and many peers, and an aging population may remain a modest drag on future growth. Further, the state's leverage, measured by combined debt and unfunded post-employment obligations relative to GDP, is high among US states. With slower than average growth, Vermont's long-term liabilities will weigh more heavily on its economic base. We expect the state's ample liquidity and consistently prudent management of operations will remain a credit factor that balances economic and leverage challenges relative to highly rated peers.

On October 23, we downgraded the state's general obligation rating to Aa1 from Aaa. We also downgraded ratings notched off of the state's general obligation rating. We downgraded to Aa3 from Aa2 the rating on education loan revenue bonds issued by the Vermont Student Assistance Corporation that are supported by the state's moral obligation pledge. We downgraded to A1 from Aa3 the rating on mental health services bonds issued by the Vermont Economic Development Authority and Vermont Educational and Health Buildings Financing Agency that are supported by state appropriations. We also downgraded to Aa2 from Aa1 the programmatic rating on the Vermont State Aid Intercept Program.

**Exhibit 1**
**Vermont's debt burden is low, but its pension burden is much higher than state medians**  
**Net tax supported debt (NTSD) and adjusted net pension liability (ANPL)**

NTSD...	as % of personal income	as % of GDP	per capita	as % of own-source revenue
Vermont	2.0%	2.0%	\$987	17%
State median	2.3%	2.1%	\$987	29%

ANPL...	as % of personal income	as % of GDP	per capita	as % of own-source revenue
Vermont	16.1%	15.9%	\$8,215	141%
State median	6.9%	6.1%	\$3,207	107%

Based on fiscal 2017 data.

Source: Moody's Investors Service

## Credit strengths

- » Although Vermont's economy is the smallest of all US states, resident income is above average, educational attainment is high, and unemployment is low
- » Liquidity is healthy and stable

## Credit challenges

- » The state's economic performance lags that of the US and many peers, and an aging population may be a drag on future growth
- » Relative to state GDP, Vermont's leverage (combined debt and unfunded pensions) is higher than most states

## Rating outlook

The stable outlook reflects the expectation that Vermont's economic fundamentals, financial position and fiscal management will remain strong and support the current rating.

## Factors that could lead to an upgrade

- » Improved demographic and economic trends that more closely track those of the nation and other highly rated states
- » Moderated leverage, especially unfunded pensions and retiree health care liabilities, relative to state GDP

## Factors that could lead to a downgrade

- » Substantial growth in debt or unfunded post-employment liabilities
- » A slowdown in economic expansion or revenue growth
- » A departure from strong fiscal management practices

## Key indicators

Exhibit 2

Vermont (State of)	2013	2014	2015	2016	2017	50-State Median (2017)
Operating Fund Revenues (000s)	2,636,432	2,748,223	2,858,148	2,927,613	2,963,227	
Available Balances as % of Operating Fund Revenues	9.1%	4.3%	4.3%	4.3%	2.9%	4.4%
Nominal GDP (billions)	28.7	29.4	30.3	31.3	32.2	
Nominal GDP Growth	1.8%	2.5%	3.0%	3.3%	2.9%	3.8%
Total Non-Farm Employment Growth	0.7%	1.0%	0.8%	0.3%	0.3%	1.1%
Fixed Costs as % of Own-Source Revenue	NA	6.8%	6.6%	7.6%	8.1%	9.2%
Adjusted Net Pension Liabilities (000s)	3,500,771	3,715,067	3,677,705	4,020,919	5,123,076	
Net Tax-Supported Debt (000s)	549,995	597,520	627,192	666,935	615,759	
(Adjusted Net Pension Liability + Net Tax-Supported Debt) / GDP	14.1%	14.7%	14.2%	15.0%	17.8%	8.3%

Operating fund revenues consists of non-federal revenues of the state's general, education and transportation funds. Available balance is the unassigned, committed and assigned balances of the same funds as reported in the state's comprehensive annual financial report. We discuss in more detail below fund balances available outside these funds.

Source: Moody's Investors Service

## Profile

The State of Vermont is located in the northeast United States. Its estimated 2017 population of just under 624,000 makes it the second smallest state in the country. Its 2017 nominal GDP of \$32.2 billion is the smallest of the 50 states.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody.com](http://www.moody.com) for the most updated credit rating action information and rating history.

## Detailed credit considerations

### Economy

Vermont's economic standing is good and, like just about every other state in the US, it is growing amid the current expansion. But, Vermont's performance along multiple metrics lags the US at large, the state's regional peers and its highly rated peers.

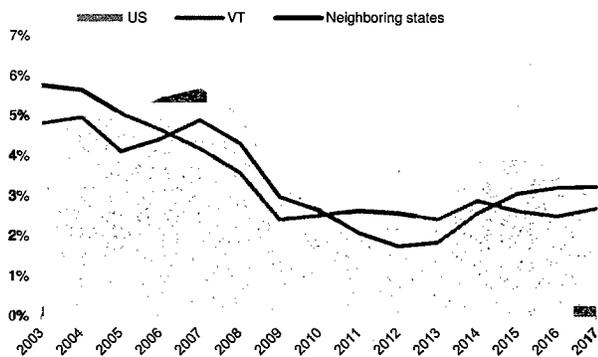
In the five years through 2017, Vermont's nominal GDP and nonfarm employment grew at compound annual growth rates of 2.7% and 0.6%, respectively. Both rates trail those of the US and Vermont's northeast neighbors, all of whom are rated Aa1 or lower (see Exhibits 3 & 4).

Vermont's aging population may remain an obstacle to attaining growth on par with other states. Vermont is currently second only to Maine (Aa2 stable) in the share of residents aged 55 or older. Vermont had one of the lowest rates of growth in total population over the last decade. Between 2000 and 2017, the state's prime working age population (those between 25 and 54 years) fell just over 16%. Over the same period, the prime working age population in the US grew over 4% (see Exhibit 5).

With one of the nation's lowest birthrates and a modestly net negative migration trend, we expect population growth to remain very low. Moody's Analytics projects subpar demographics will keep Vermont a below-average economic performer over the long term.

Exhibit 3

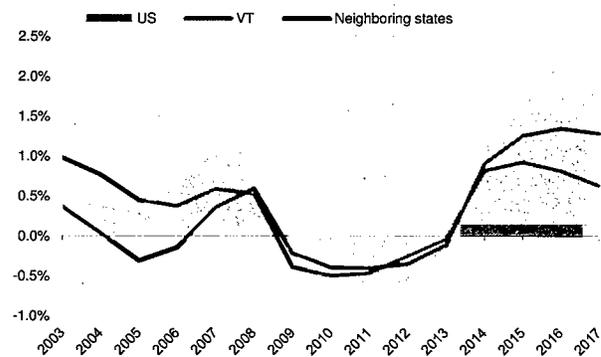
**Vermont's economic growth has lagged that of the US and regional neighbors for several years**  
Rolling 5-year CAGR in nominal GDP



'Neighboring states' combines Connecticut, Maine, Massachusetts, New Hampshire and Rhode Island.  
Source: US Bureau of Economic Analysis

Exhibit 4

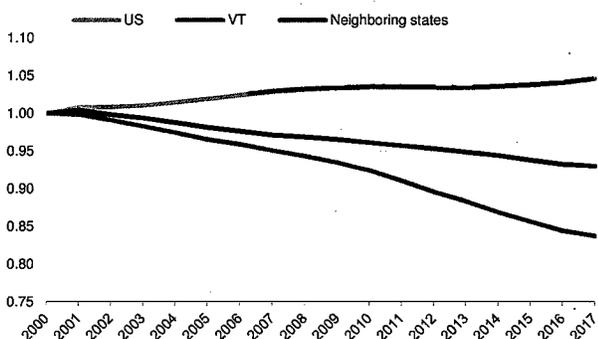
**Employment growth has also been slower in Vermont**  
Rolling 5-year CAGR in nonfarm employment



'Neighboring states' combines Connecticut, Maine, Massachusetts, New Hampshire and Rhode Island.  
Source: US Bureau of Labor Statistics

Exhibit 5

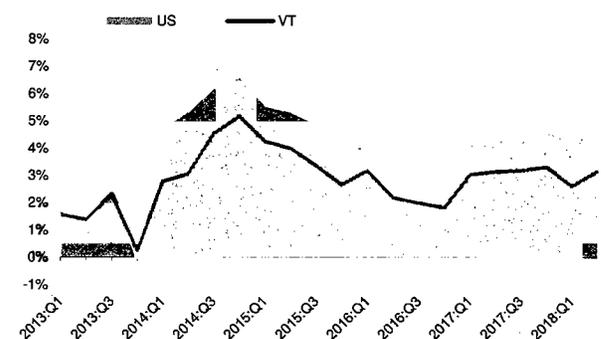
**Vermont's prime working age population declining faster than in the nation and region**  
Annual prime working age population relative to base year 2000



Source: Moody's Analytics

Exhibit 6

**Though healthy, Vermont's growth in personal income lags that of the US**  
Year-over-year growth in quarterly personal income



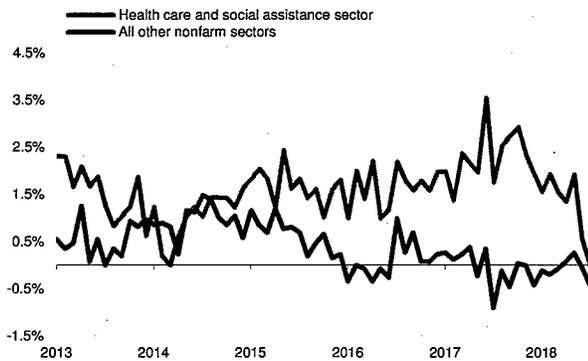
Source: US Bureau of Economic Analysis

Vermont's aging population is causing the state to lean on the health care sector to drive employment gains (see Exhibits 7 & 8). According to the US Bureau of Labor Statistics, employment in health care and social assistance now accounts for nearly 17% of jobs in Vermont compared to just over 13% nationwide. The health care sector will likely remain a source of well-paying jobs in the state. However, though personal income growth in Vermont has been sound, it also trails growth across the US (see Exhibit 6 above).

Exhibit 7

### Growth in the health care sector is a driver of Vermont's employment gains

Year-over-year change in Vermont's monthly nonfarm employment

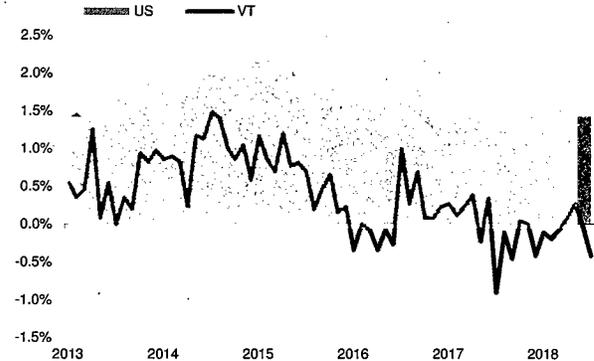


Source: US Bureau of Labor Statistics

Exhibit 8

### Vermont's growth in non-health care employment significantly lags that of the US

Year-over-year change in monthly nonfarm employment excluding the health care and social assistance sector



Source: US Bureau of Labor Statistics

Notwithstanding the above discussion, Vermont has several economic bright spots that support its credit profile. It has a relatively high income base. Per capita and median household income in Vermont are slightly higher than those of the entire US, and rank 19th and 20th, respectively, among the 50 US states. The state's poverty rate, averaged over the three years through 2016 by the US Census Bureau, is the sixth lowest in the US. Vermont's unemployment rate consistently falls below that of the US while its labor force participation rate consistently exceeds that of the US.

Much of this is supported by the state's highly educated populace. According to the US Census Bureau, Vermont ranks 8th among the states in share of residents having earned a bachelor's degree or higher. The state also has a robust and growing tourism sector, which has benefited from rising personal income throughout the wider region.

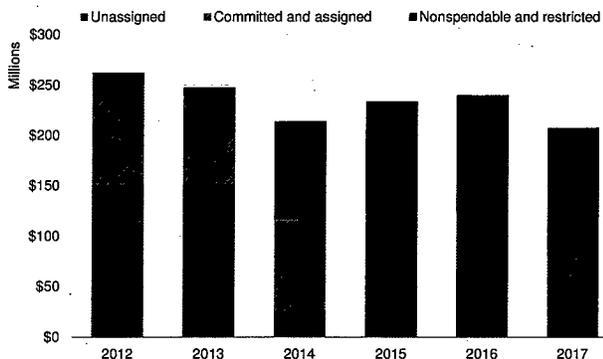
### Finances

The state's GAAP-basis available fund balance (unassigned, committed and assigned balances) across its general, education and transportation funds fell in recent years (see Exhibit 9). Accounting for fund balance classified as restricted but composed of funds receivable from the state's internal service fund, the available balance stood at 5% of those funds' combined revenue in fiscal 2017 (see Exhibit 10). This partially reflects loans made by the general fund to the state's OPEB trust that had grown to \$29 million in fiscal 2017. The state anticipates returning up to \$4 million of this loan to the general fund in fiscal 2019 and completely retiring the interfund loan by 2022.

At 5% of revenue, Vermont's available fund balance is in line with the state's statutory commitment to maintain a budget reserve equal to no less than that share of prior year spending. On a budget basis, the state's fiscal 2017 budget reserves in its general, education and transportation funds were \$74.1 million, \$33.5 million and \$13.3 million, respectively, and, in total, equal to 5% of those funds' combined revenue. The state anticipates the aggregate budget reserve will rise to \$126.3 million in the current fiscal 2019.

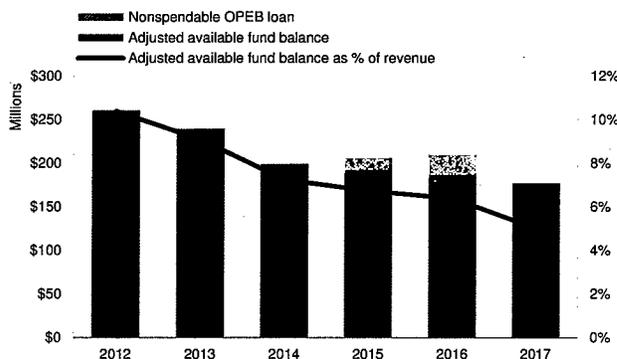
Vermont also holds balances outside its three core operating funds, the largest of which is its human services caseload reserve. The fiscal 2019 budget moves this entire reserve to the general fund, though the state's global commitment fund will continue to account for human services activities. The state anticipates the fiscal 2019 caseload reserve will be around \$100 million. Adding this to the state's fiscal 2017 available fund balance puts that balance close to 8.5% of revenue, which is closely aligned with average monthly cash classified as unrestricted by the state treasurer.

Exhibit 9  
**Vermont's total fund balance has been stable, but reporting changes brought available fund balance down**



We define available fund balance as the sum of unassigned, committed and assigned fund balance  
 Source: Vermont's comprehensive annual financial reports

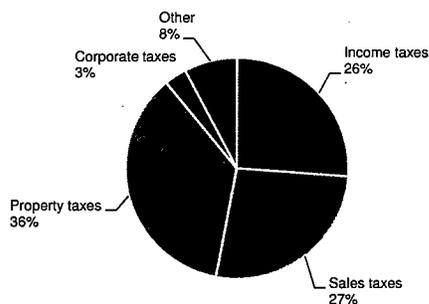
Exhibit 10  
**Adjustments to available fund balance show a moderate decline as well**



"Adjusted available fund balance" consists of reported available fund balance plus the general fund's annual receivable from the state's internal service fund.  
 Source: Vermont's comprehensive annual financial reports

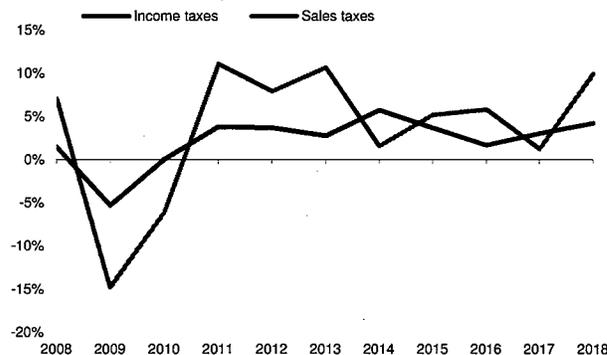
On a budget basis, the state reports closing fiscal 2018 on June 30 with an operating surplus of \$11 million in the general fund, which it transferred to the teachers pension plan. Personal income taxes were up 10% year-over-year, part of which the state attributes to growth in capital gains (see Exhibit 12). The fiscal 2019 budget assumes only moderate growth in revenue over fiscal 2018 and is balanced without the use of reserves.

Exhibit 11  
**Vermont's revenue base is diverse**  
 Composition of revenue across Vermont's general, education and transportation funds



Sales tax includes gas and vehicle taxes, and meals and room taxes.  
 Source: State of Vermont

Exhibit 12  
**Revenue growth in Vermont has been solid**  
 Annual growth in select taxes

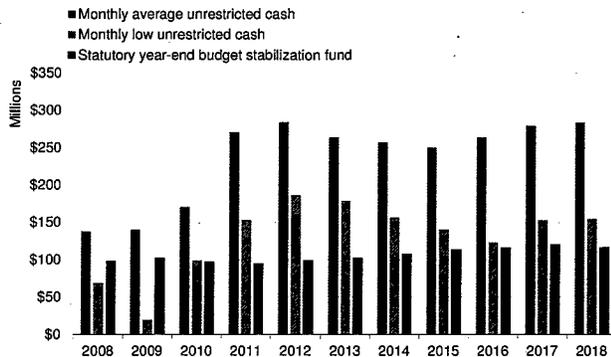


Sales tax includes gas and vehicle taxes, and meals and room taxes.  
 Source: State of Vermont

**LIQUIDITY**

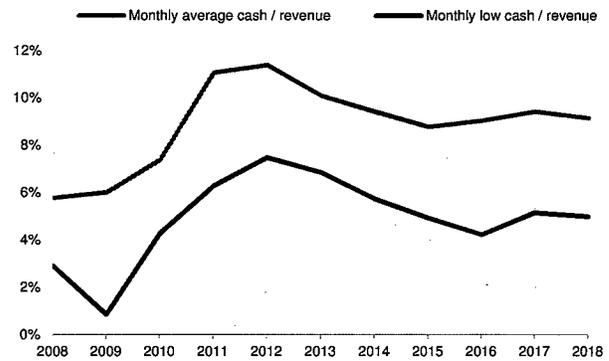
Vermont rapidly rebuilt its cash reserves after the 2007-09 recession and has kept liquidity at a strong level (see Exhibit 13). Monthly average unrestricted cash held by the state treasurer hovered around 9% of combined general, education and transportation fund revenue over the past several years (see Exhibit 14). We do not anticipate a material change in liquidity in the coming years.

Exhibit 13  
Available liquidity and statutory budget stabilization reserves remain healthy, both nominally...



Source: State of Vermont

Exhibit 14  
...and as a share of key operating revenues



Revenue is the sum of Vermont's general, education and transportation funds, less federal grant receipts  
Source: State of Vermont

**Debt and pensions**

Vermont's net tax supported debt (NTSD) ratios are very close to or below state medians (see Exhibit 1 above). But, the state carries a heavy unfunded pension burden. As a share of state nominal GDP, Vermont's fiscal 2017 adjusted net pension liability (ANPL) is the 8th highest of the 50 states. It ranks 10th in combined ANPL and NTSD as a percentage of GDP.

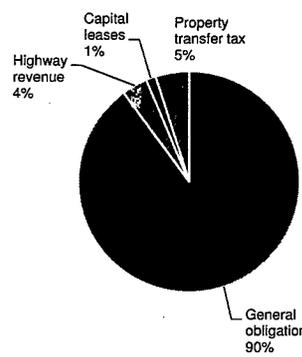
Vermont's debt and pension burden is still much lower than those of the most highly leveraged states. Importantly, Vermont's pension burden incorporates all liabilities associated with statewide school districts because the state accounts for all primary and secondary education financial activities. This is a big driver of Vermont's high pension burden relative to other states.

Exhibit 15  
Vermont's debt statement (\$million)  
As of June 30, 2018

General obligation bonds	\$636
Transportation infrastructure bonds	\$27
Capital leases	\$10
Property transfer tax bonds	\$35
<b>Total net tax-supported debt</b>	<b>\$707</b>
<b>Moral obligations</b>	
Vermont Municipal Bond Bank	\$585
Vermont Econ. Dev. Auth.	\$173
Vermont Housing Finance Auth.	\$38
Vermont Student Assistance Corp.	\$7
<b>Total moral obligations</b>	<b>\$802</b>
<b>Gross tax-supported debt</b>	<b>\$1,509</b>

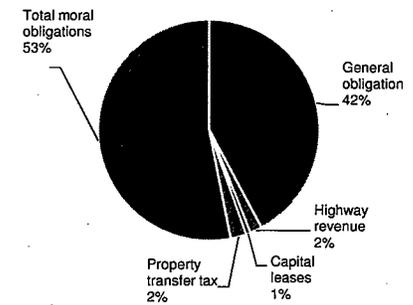
Source: State of Vermont

Exhibit 16  
General obligation bonds make up the vast majority of net tax-supported debt



Source: State of Vermont

Exhibit 17  
Moral obligations are a big component of Vermont's gross tax-supported debt



Source: State of Vermont

**DEBT STRUCTURE**

All of Vermont's debt is fixed rate.

**DEBT-RELATED DERIVATIVES**

Vermont is not party to any debt-related derivatives.

## PENSIONS AND OPEB

Across both of its retirement plans (the Vermont State Retirement System and State Teachers' Retirement System), Vermont's pension contribution of \$142 million in fiscal 2017 consumed just under 4% of own-source revenue. The actual contribution was short of the \$162 million we estimate as the state's aggregate pension "tread water" indicator. The "tread water" indicator, which we calculate based on pension plan disclosures, measures the annual employer contribution necessary to forestall growth in plan reported net pension liabilities, assuming other plan actuarial assumptions hold, after accounting for employee contributions. The difference between the state's actual contribution and the "tread water" indicator was less than 1% of own-source revenue.

The state's current funding policy, established in statute, is to fully amortize the unfunded liabilities of VSERS and VSTRS by 2038. In the past year, the state lowered the discount rate of both plans to 7.5% from 7.95%. To accommodate the lower investment return assumption and stay within the statutory funding target, the state plans to increase its contributions to VSTRS in fiscal 2020 to 19% of payroll from 16% of payroll. In the same year, the state plans to increase its VSERS contributions to 13.3% of payroll from 11.6% of payroll.

As of fiscal 2017, Vermont reported a net OPEB liability of \$2.4 billion under newly adopted GASB statement 74. The net OPEB liability is another 7.4% of 2017 GDP and, like the state's pension burden, includes 100% of state teacher retiree health care liabilities. The state made \$57 million in OPEB payments in fiscal 2017, which is incorporated in our calculation of the state's fixed cost burden.

## Governance

Vermont's governance is strong. The state updates its consensus revenue forecast twice per year, in January and July. The January update covers the remainder of the current fiscal year as well as the two upcoming fiscal years. The July update then revises the forecast for the newly begun fiscal year and the immediately following fiscal year. The two forecast updates are required by statute. During economic downturns, such as the 2007-09 recession, the state has updated its revenue forecast more frequently to aid responses to weakened revenue performance.

## Rating methodology and scorecard factors

The US States and Territories Rating Methodology includes a scorecard, which summarizes the 10 rating factors generally most important to state and territory credit profiles. Because the scorecard is a summary, and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not map closely to the actual rating assigned.

Exhibit 18

### US states and territories rating methodology scorecard

#### Vermont (State of)

Rating Factors	Measure	Score
<b>Factor 1: Economy (25%)</b>		
a) Per Capita Income Relative to US Average [1]	101.4%	Aaa
b) Nominal Gross Domestic Product (\$ billions) [1]	\$32.2	A
<b>Factor 2: Finances (30%)</b>		
a) Structural Balance	Aa	Aa
b) Fixed Costs / State Own-Source Revenue [2]	8.1%	Aa
c) Liquidity and Fund Balance	Aa	Aa
<b>Factor 3: Governance (20%)</b>		
a) Governance / Constitutional Framework	Aaa	Aaa
<b>Factor 4: Debt and Pensions (25%)</b>		
a) (Moody's ANPL + Net Tax-Supported Debt) / State GDP [2] [3]	17.8%	Aa
<b>Factors 5 - 10: Notching Factors [4]</b>		
Adjustments Up: Financial Stability	0.5	
Adjustments Down: None	0	
<b>Rating:</b>		
a) Scorecard-Indicated Outcome		Aa1
b) Actual Rating Assigned		Aa1

[1] Economy measures are based on data from the most recent year available.

[2] Fixed costs and debt and pensions measures are based on data from the most recent debt and pensions medians report published by Moody's.

[3] ANPL stands for adjusted net pension liability.

[4] Notching factors 5-10 are specifically defined in the US States and Territories Rating Methodology.

Source: US Bureau of Economic Analysis, Vermont's comprehensive annual financial reports, Moody's Investors Service

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# REPORTS





**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee Members  
From: Daniel Dickerson, Fiscal Analyst  
Date: November 7, 2018  
Subject: Small Grant & Gift Quarterly Report

In accordance with the provisions of 32 V.S.A. § 5(a)(3), the Joint Fiscal Office is required to submit quarterly reports for small grant and gift requests with a value of \$5,000 or less.\* For the quarter ending September 30, 2018 (Q1 FY2019), the Joint Fiscal Office did not receive notification of any grants meeting these criteria.

One small grant was received in the quarter ending December 31, 2017 (Q2 FY2018) that was not reported in the previous small grant report dated July 27, 2018. Details for the small grant are as follows:

- On December 27, 2017 the Joint Fiscal Office received notice that the Association of Food and Drug Officials (AFDO) had donated a grant of \$4,276.70 to the Agency of Agriculture, Food and Markets to support staff training expenses for attendance of the National Grade "A" Milk Safety Program trainings in Syracuse, NY. Eight (8) Agency employees attended the trainings, which were held in September, 2017.

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\* Act 146 of the Acts of 2009 Adj. Session (2010), Sec. B.15 amended 32 V.S.A. § 5(a)(3) to permit the Department of Forests, Parks and Recreation to accept grants with a value of up to \$15,000 under the "small grants" procedure. Act 179 of the Acts of 2013 Adj. Session (2014) permitted the Vermont Veteran's Home to accept grants with a value of up to \$10,000 under the "small grants" procedure.

# Individual Mandate

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REPORT OF THE INDIVIDUAL MANDATE WORKING GROUP

NOVEMBER 1, 2018

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# Introduction: Individual Mandate Timeline



- **2010:** Affordable Care Act (ACA) established an “individual mandate” requiring most Americans to have a basic level of health insurance beginning January 2014
- **2017:** Tax Cuts and Jobs Act (TCJA) removed the penalty associated with the federal individual mandate effective 2019
- **2018:** General Assembly passed Act 182 establishing an individual mandate in Vermont and a Working Group to provide recommendations regarding administration and enforcement of the individual mandate<sup>1</sup>
- **2019:** Pursuant to Act 182, enforcement mechanism(s) “should be enacted” to inform Vermonters’ coverage decisions during fall 2019 open enrollment<sup>2</sup>
- **2020:** Individual mandate effective in Vermont<sup>3</sup>

<sup>1</sup> Section 3 of [Act 182 of 2018](#)

<sup>2</sup> *Ibid*, Section 2

<sup>3</sup> *Ibid*, Sec. 5

# Introduction: The Working Group

---

## Membership

- Agency of Human Services (Adaline Strumolo)
- Department of Financial Regulation (Emily Brown)
- Department of Tax (Doug Farnham)
- Green Mountain Care Board (Robin Lunge)
- Office of the Health Care Advocate (Mike Fisher)
- Blue Cross and Blue Shield of Vermont (Sara Teachout)
- MVP (Susan Gretkowski)

## Meetings

- Seven Meetings; Members also did research and proposal development outside of public meetings
- Facilitator approach: Agendas and meetings led by most relevant organization
- Public Comments: accepted at each meeting; online; public comment period on the draft report (September 28 – October 12)

# Introduction: The Working Group

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## Resources

- Staff from membership's organizations: including insurers' actuarial departments
- State Health and Value Strategies: Jason Levitis<sup>1</sup>
- Colleagues in other states
- Federal Issues Working Group resources<sup>2</sup>

## Principles & Process

### Recommendations should:

- Focus on maintaining Vermont's low uninsured rate
- Strive to be practical: balance the complexity of health care policy, administrative burden and Vermonters' best interests
- Include alternatives to present different perspectives/priorities

<sup>1</sup> Jason Levitis is a health policy expert focusing on the Affordable Care Act's (ACA's) tax provisions and state innovation waivers. He provides technical assistance to states in partnership with State Health and Value Strategies. He is also a nonresident fellow at the Brookings Institution and a senior fellow at Yale Law School's Solomon Center for Health Law and Policy. Until January 2017 he led ACA implementation at the U.S. Treasury Department.

<sup>2</sup> The Federal Issues Working Group is a stakeholder group of Vermont organizations that responds to changes in federal health care policy

# Introduction

---

The Working Group was unable to come to consensus on an enforcement mechanism as well as two exemptions. This report attempts to provide a fair and balanced presentation of approaches.

- There was consensus that there should be a continued focus and additional emphasis on outreach about health care coverage as a key mechanism to maintain and increase coverage and that improved monitoring and timeliness of data on the uninsured was a good idea.
- Not all members of the Working Group, however, believed that these efforts alone are sufficient to maintain and increase coverage.
- Several members of the Working Group believe that a financial penalty, modeled largely on the federal penalty, with some Vermont modifications is an appropriate enforcement mechanism for a state individual mandate. This is similar to the approaches used in NJ and DC.
  - This subgroup agrees that there should be a flat affordability exemption similar to DC, but does not agree on the income level.
  - Blue Cross Blue Shield of Vermont objects to exempting members of health care sharing ministries.
- The Green Mountain Care Board did not take a position.

What is a mandate

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# What is a mandate: Overview and Goal

---

The federal individual mandate and associated enforcement mechanism was one component of an overall strategy in the Affordable Care Act for achieving widespread health insurance coverage. Act 182 of 2018 created this Working Group to recommend administration and enforcement of a state individual mandate to have health insurance beginning in 2020. Goals of an individual mandate include:

- **Increase Enrollment:** require enrollment for those who can access coverage, while exempting those who cannot.
- **Adequate Coverage:** create a uniform standard for health insurance to ensure that Vermonters have certain services and limits on cost-sharing.
- **Lower Premiums:** spread risk throughout a larger population, enabling lower premiums for everyone.
- **Market Stability:** ensure that people maintain coverage over time, not just when they have health needs.

# What is a mandate: Components

---

## **What is the mandate in Vermont**

- A state requirement to have health insurance, which begins in 2020

## **What qualifies as health insurance**

- Most health care coverage qualifies, with the exception of insurance plans that are not meant to provide complete coverage. This is called “minimum essential coverage.” The recommendation is to maintain the federal definition of minimum essential coverage in effect on Dec. 31, 2017, with a process at the Department of Financial Regulation to expand the definition if necessary.

## **Who is required to have health insurance in Vermont**

- Most Vermonters unless they qualify for an “exemption.” The recommendation is to adopt the exemptions defined in federal law, with some modifications to reflect state administration or policy preferences.<sup>1</sup> The administration of exemptions is tied to the enforcement mechanism.

## **How is a mandate enforced**

- As noted in Slide 6 above, there is not consensus in this area.
  - There was consensus that there should be a continued focus and additional emphasis on outreach about health care coverage as a key mechanism to maintain and increase coverage and that improved monitoring and timeliness of data on the uninsured was a good idea.
  - Not all members of the Working Group, however, believed that these effort alone are sufficient to maintain and increase coverage.
  - Several members of the Working Group believe that a financial penalty, modeled largely on the federal penalty, with some Vermont modifications is an appropriate enforcement mechanism for a state individual mandate.

<sup>1</sup> There is not consensus on the affordability or religious conscience exemption. See Exemption section for details.

# What we know about Vermont

Federal Income Tax Returns: 2016 Data <sup>1, 2</sup>											
		Size of adjusted gross income									
Item	All returns	Under \$1 [1]	\$1 under \$10,000	\$10,000 under \$25,000	\$25,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 or more
FPL Level	1		<84%	84% - 210% <sup>1,2,3</sup>	210% - 421% <sup>2,3</sup>	421% - 631%	631% - 842%	842% - 1684%	1684% - 4209%	4209% - 8418%	>8418%
	2		<62%	62% - 156% <sup>1,2,3</sup>	156% - 312% <sup>2,3</sup>	312% - 468% <sup>3</sup>	468% - 624%	624% - 1248%	1248% - 3121%	3121% - 6242%	>6242%
	3		<50%	50% - 124% <sup>1,2,3</sup>	124% - 248% <sup>1,2,3</sup>	248% - 372% <sup>2,3</sup>	372% - 496% <sup>3</sup>	496% - 992%	992% - 2480%	2480% - 4960%	>4960%
	4		<41%	41% - 130% <sup>1,2,3</sup>	103% - 206% <sup>1,2,3</sup>	206% - 309% <sup>2,3</sup>	309% - 412% <sup>3</sup>	412% - 823%	823% - 2058%	2058% - 4115%	>4115%
# of Vermont returns	325,860	5,850	50,030	61,570	82,690	46,050	30,140	38,750	9,050	1,210	520
	100%	2%	15%	19%	25%	14%	9%	12%	3%	0%	0%
# of returns w/ penalty	10,590	**	** 30	3,160	5,070	1,480	470	290	70	** 10	**
\$ of penalty	\$7,346,000	-	\$ 18,000	\$ 1,607,000	\$ 2,967,000	\$ 1,328,000	\$ 573,000	\$ 570,000	\$ 225,000	\$ 58,000	-
	3.2%		0%	30%	48%	14%	4%	3%	1%	0%	0%

### Program Eligibility Thresholds

- <sup>1</sup>Medicaid: up to 138% FPL
- <sup>2</sup>Vermont Premium Assistance: up to 300% FPL
- <sup>3</sup>Federal Premium Tax Credit: up to 400% FPL

- Categories not broken down by household size, makes definitive conclusions more difficult
- \$10,000 - \$25,000: Many family sizes should be eligible for Medicaid
- \$25,000 - \$50,000: Some family sizes should be eligible for Medicaid, federal Advance Premium Tax Credit or Vermont premium assistance.

<sup>1</sup> 2016 Report on Individual Income and Tax Data, Vermont

<sup>2</sup> As a result of confusion about the federal tax rules, the figures above include substantial numbers of erroneous payments by Medicaid-eligible families who were in fact exempt. The issue was detected, and the IRS took steps to correct it, including refunding payments, but the results of those efforts are not reflected above.

# What we know about Vermont

Federal Income Tax Returns: 2015/2016 Vermont Data<sup>1,2</sup>

		Delta between 2015 and 2016							
		Size of adjusted gross income							
Item	All returns	under \$10,000	\$10,000 under \$25,000	\$25,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 or more
FPL Level	1	<84%	84% - 210% <sup>1,2,3</sup>	210% - 421% <sup>2,3</sup>	421% - 631%	631% - 842%	842% - 1684%	1684% - 4209%	4209% - 8418%
	2	<62%	62% - 156% <sup>1,2,3</sup>	156% - 312% <sup>2,3</sup>	312% - 468% <sup>3</sup>	468% - 624%	624% - 1248%	1248% - 3121%	3121% - 6242%
	3	<50%	50% - 124% <sup>1,2,3</sup>	124% - 248% <sup>1,2,3</sup>	248% - 372% <sup>2,3</sup>	372% - 496% <sup>3</sup>	496% - 992%	992% - 2480%	2480% - 4960%
	4	<41%	41% - 130% <sup>1,2,3</sup>	103% - 206% <sup>1,2,3</sup>	206% - 309% <sup>2,3</sup>	309% - 412% <sup>3</sup>	412% - 823%	823% - 2058%	2058% - 4115%
# of returns subject to penalty	-2,290	-10	-920	-950	-270	-80	-80	0	0
% change	-18%	-25%	-23%	-16%	-15%	-15%	-22%	0%	0%
\$ of penalty	\$ 1,242,000	\$ 9,000	\$ 520,000	\$ 581,000	\$ 137,000	\$ 13,000	\$ -48,000	\$ 20,000	\$ 10,000
% change	20%	100%	48%	24%	12%	2%	-8%	10%	21%

**Program Eligibility Thresholds**

- <sup>1</sup>Medicaid: up to 138% FPL
- <sup>2</sup>Vermont Premium Assistance: up to 300% FPL
- <sup>3</sup>Federal Premium Tax Credit: up to 400% FPL

➤ Penalty increased from 2015 (\$325/adult) to 2016 (\$695/adult)

<sup>1</sup> 2016 Report and 2015 Report, Individual Income and Tax Data, Vermont

<sup>2</sup> As a result of confusion about the federal tax rules, the figures above include substantial numbers of erroneous payments by Medicaid-eligible families who were in fact exempt. The issue was detected, and the IRS took steps to correct it, including refunding payments, but the results of those efforts are not reflected above.

# What we know about Vermont

Income Range	Age Band						Total
	LT18	18-26	26-35	35-45	45-55	GT55	
Below 200% FPL	8%	7%	5%	5%	4%	2%	4%
200% to 250% FPL	12%	12%	11%	11%	8%	4%	8%
250% to 300% FPL	13%	11%	10%	10%	8%	3%	7%
300% to 400% FPL	11%	11%	9%	9%	7%	3%	7%
Above 400% FPL	41%	38%	40%	37%	27%	13%	25%
<b>Total</b>	<b>25%</b>	<b>13%</b>	<b>10%</b>	<b>11%</b>	<b>10%</b>	<b>5%</b>	<b>9%</b>

**Table One:** Maintenance Population Demographics of population projected to drop coverage as a result of removing the individual mandate penalty.

**Table Two:** Recruitment Population Demographics of population uninsured in 2014; federal individual mandate penalty was in effect.

Breakdown by Age									
Age	0-17	18-24	25-34	35-44	45-64	65+	TOTAL		
% uninsured	1.0%	4.6%	11.0%	5.1%	3.7%	0.3%	3.7%		
Change from 2012 to 2014	-1.5%	-6.9%	-7.2%	-2.1%	-2.5%	0.0%	-3.1%		
Breakdown by FPL									
FPL Level	Below 139%	139%-150%	151%-200%	201%-250%	251%-300%	301%-350%	351%-400%	Above 400%	TOTAL
% uninsured	5.0%	3.2%	5.8%	5.7%	4.2%	5.4%	2.0%	2.0%	3.7%
Change from 2012 to 2014	-4.6%	-11.4%	-7.4%	-2.3%	-5.4%	-1.1%	-1.7%	-1.3%	-3.1%

<sup>1</sup> [Lewis & Ellis Individual Mandate Report](#): considers financial determinants and does not include non-financial considerations such as risk aversion, health status, pending legislation (Act 182 of 2018) or compliance accountability.

<sup>2</sup> [Vermont Household Health Insurance Survey 2014](#): 2018 results not available at time of report submission. 2018 results expected to be roughly similar to 2014, with a slightly lower uninsured rate overall and a statistically lower rate for those with incomes <139% FPL.

# What we know about Vermont

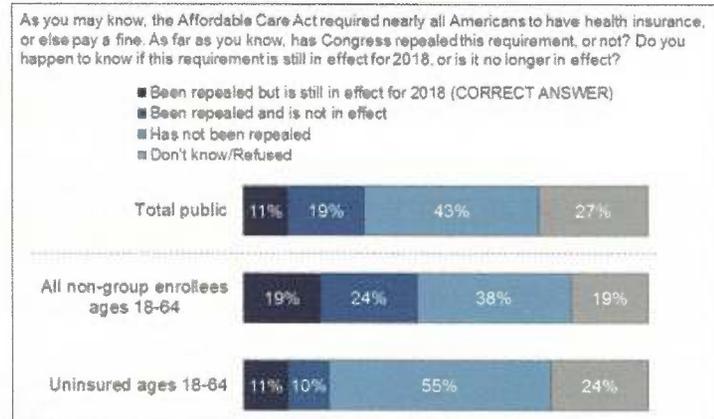
**2019:** In their individual and small group filings, BCBSVT and MVP each requested a 2.0% rate increase due to the elimination of the federal penalty, approximately a \$9.8 million impact on overall total premium. The approved rates allowed for a 1.6% increase, resulting in an overall total premium impact of approximately \$7.9 million.

**Impact on 2019 Individual and Small Group Premiums**

Carrier	# of Lives	Filed		Approved	
		Rate	Premium Impact	Rate	Premium Impact
Blue Cross/Blue Shield <sup>1</sup>	52,591	2.00	\$	1.60%	\$ 5,563,679.15
		%	6,954,599		
MVP <sup>2</sup>	25,223	2.00	\$	1.60%	\$ 2,313,587.42
		%	2,891,984		
			<b>\$ 9,846,583</b>		<b>\$ 7,877,266.58</b>

**Beyond 2019:** The status of the individual mandate penalty is unclear to many Americans at this time. As individuals develop a clearer understanding of the federal penalty's status over time, enrollment and premiums may be impacted.

**Public Confusion regarding status of the Individual Mandate<sup>3</sup>**



\*Source: Kaiser Health Tracking Poll - March 2018: Non-Group Enrollees

<sup>1</sup> Blue Cross and Blue Shield of Vermont 2019 Individual and Small Group Filing

<sup>2</sup> MVP 2019 Vermont Health Connect Filing

<sup>3</sup> Kaiser Health Tracking Poll- March 2018: Non-Group Enrollees

# What we know from studies

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The Working Group reviewed 47 pieces of literature on the topic of the Individual Mandate.<sup>1</sup>

Efforts to conceptualize and measure the impact of an individual mandate, particular to the United States and the Affordable Care Act are:

1. New and relatively few in number.
2. Based largely on the overall impact of the individual mandate policy, with a small minority extrapolating the impact of the individual mandate penalty as enforcement mechanism.
3. The literature consulted for this review presents substantial evidence that the ACA and Massachusetts health care reforms as larger policy packages are correlated with a decrease in the national and Massachusetts uninsured rates, emphasizing the significant impact of Medicaid expansion and premium subsidies.
4. There is a range of estimates, based on empirical research and analysis, for the impact of a mandate with a penalty. There is little evidence about the impact of a mandate without a penalty.

<sup>1</sup> A full list of literature is available in the Resources section.

# What qualifies as health insurance

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MINIMUM ESSENTIAL COVERAGE

# What qualifies as health insurance: Overview and Goal

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- Act 182 of 2018 establishes the Vermont individual mandate in 32 V.S.A. §10452 and includes a definition of what qualifies as health insurance, called “minimum essential coverage.” The Act directs the Working Group to review minimum essential coverage (MEC) and suggest recommendations.
- Act 182 adopted the federal definition in 26 U.S.C. §5000A and related regulations, as in effect on December 31, 2017. This includes coverage provided by employers, the military, Medicare, and Medicaid.<sup>1</sup>
- The goal of minimum essential coverage is to create a uniform standard for health insurance to ensure that Vermonters have certain services and limits on cost-sharing. Insurance coverage may be more comprehensive than this standard.

<sup>1</sup> Limited Medicaid coverage, such as Ladies First, would not qualify.

# What qualifies as health insurance: Minimum Essential Coverage- Federal Definition

Qualifies	Does Not Qualify
<p>Employer Sponsored Coverage</p> <p>Individual Market Health Insurance</p> <ul style="list-style-type: none"> <li>• Any metal level plan purchased through the Health Insurance Marketplace</li> <li>• Student Health Plans</li> <li>• “Grandfathered” non-ACA compliant plan that has been in force since March 23, 2010 or earlier</li> </ul>	<p>Americorps</p> <p>Coverage consisting solely of excepted benefits</p> <ul style="list-style-type: none"> <li>• Accident and disability policies</li> <li>• Stand alone vision care or dental care</li> <li>• Worker’s compensation</li> <li>• Critical illness or specific disease policies</li> </ul>
Medicare	Short Term Limited Duration Insurance (STLDI)
Medicaid	
Children’s Health Insurance Program (CHIP)	
VA Coverage	
Tricare	

# What qualifies as health insurance: Recommendations

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The Working Group recommends the following:

- Modify 32 V.S.A. §10451 to ensure that the federal guidance in effect on December 31, 2017, is incorporated into the MEC definition and not subsequent federal updates or changes.
  - Suggested amendment: (3) “Minimum essential coverage” shall have the same meaning as in 26 U.S.C. § 5000A, ~~as amended, and as in effect on December 31, 2017,~~ and any related regulations and federal guidance, as in effect on December 31, 2017.
- Provide the Department of Financial Regulation (DFR) authority to consider and deem new forms of coverage or health insurance products as MEC, using the criteria established in federal law and guidance.
- The Working Group does not recommend adding or excluding other forms of coverage to the MEC definition.

# What qualifies as health insurance: Considerations

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Maintaining the federal MEC definition will:

- Provide consistency to policyholders with existing MEC
- Maintain high standards for health insurance coverage satisfying the state individual mandate
- Ensure individuals will not be subject to different state and federal definitions regarding MEC

# What qualifies as health insurance: Process Highlights

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The Working Group considered two issues in making its recommendations:

1. Adding AmeriCorps health insurance coverage to the state MEC definition. The Working Group did not ultimately adopt this modification because these individuals are very likely to be exempt from the enforcement mechanism, if any.
2. Whether the definition should explicitly exempt or include association health plans (AHP).
  - The Working Group looked at whether coverage offered by AHPs should be considered MEC
  - As currently proposed under Department of Financial (DFR) rules, fully insured AHPs would be required to offer coverage that meets the federal coverage requirements for MEC
  - Self-insured AHPs were not discussed as DFR rules are not yet published

# Who is required to have health insurance

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## EXEMPTIONS

# Who is required to have health insurance:

## Overview and Goal

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- This section considers who should and should not be required to have health insurance. Act 182 directs the Working Group to develop recommendations for “exemptions” from compliance with the individual mandate. If an individual is eligible for an exemption, any enforcement would not apply to them.
- The goal is to encourage enrollment for those who can access coverage, while exempting those who cannot.
- People may not be able to access coverage for reasons of eligibility for health insurance, religious conscience, hardship, or affordability.

# Who is required to have health insurance: Recommendations

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The Working Group explored exemptions from a policy perspective, agnostic of enforcement mechanism. The Working Group recommends the following:

- Adopting the federal exemptions in effect in statute, regulation and guidance as of December 31, 2017, and as applicable in Vermont, with some modifications and caveats detailed in the next slide.
- Determining the administration of exemptions if the legislature enacts an enforcement mechanism. To the extent exemptions are administered, the Working Group recommends the following:
  - Honor all federal exemptions issued to individuals based on the criteria above.
  - Review exemptions at point and time of enforcement (i.e. retrospectively), including hardship applications through a state application process.
  - Do not establish a program to grant prospective exemptions. The United States Department of Health and Human Services (HHS) is continuing to issue exemption certificates at this time. The Working Group also determined that both federally and in Massachusetts, very few prospective exemptions were requested. Accordingly, the administrative burden of a prospective approach did not seem to be advisable.

# Who is required to have health insurance: Recommendations- Modifications from ACA

Affordable Care Act (ACA) Exemption	Initial Recommendation for Vermont Modification	How to Obtain
<b>Short coverage gap</b> Individuals should be exempt if they went without coverage for <i>less than three</i> consecutive months during the year.	Proposed Vermont modification would extend it to <i>3 months or less</i> , bringing the exemption in line with allowable Short Term Limited Duration Insurance time period.	Point of enforcement
<b>Citizens living abroad and certain non-citizens</b> Exempt US citizens who spend most of their time in a foreign country and non-US citizens. These individuals are generally not eligible for health care in Vermont.	The ACA addresses citizenship but not state residency. Proposed modification is to also exempt non-VT residents.	Point of enforcement
<b>Incarceration exemption</b> Exempts individuals who are in jail, prison or similar penal institution or correctional facility after the disposition of charges	None	Point of enforcement
<b>Religious Conscience Exemption</b> Exempts members of federally-designated and approved religious sects and health care-sharing ministries pursuant to 26 U.S.C. §5000A(d)(2)(A) and (B). This is a narrow exemption-that only applies to a limited group, such as the Amish. Health care-sharing ministries must be approved by HHS and have been in existence since 1999.	Most Working Group members recommend maintaining the ACA interpretation. BCBSVT recommends removing members of health care-sharing ministries from this exemption. GMCB does not have a position.	Point of enforcement
<b>Hardship</b> Exempts people who have experienced circumstances that prevented them from obtaining coverage. Examples may include: homelessness, eviction, foreclosure, fire, flood, bankruptcy, domestic violence, death of a close family member, or unpaid medical bills.	CMS has issued guidance with a variety of hardship exemptions, some of which apply in Vermont. Initial recommendation is to issue Vermont-specific guidance including individualized affordability issues and a list of events that are presumed to cause a hardship.	State application; or use of HHS exemption certificate
<b>Income is below the income tax filing threshold</b> Exempt if income is below the income tax filing threshold.	The ACA exemption is based on IRS tax filing threshold. Proposed modification is to base on Vermont tax filing threshold.	Point of enforcement
<b>Affordability exemption</b> Exempts people for whom health care coverage is considered unaffordable.	See enforcement section for options. The Working Group does not have consensus on a recommendation.	Point of enforcement

# Who is required to have health insurance: Considerations

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If the legislature enacts an enforcement mechanism, the recommended approach to exemptions would:

- Largely, maintain consistency with the Affordable Care Act so Vermonters who are currently exempt will remain so
- Most of the Working Group members recommend maintaining the ACA's narrow interpretation of the religious conscience exemption which is specific to members of federally-designated religious sects and health care-sharing ministries. This would maintain the status quo.
- BCBSVT recommends removing these ministries from the exemption, because they do not offer insurance to their members.
- Modify some exemptions where it is practical and logical for state-level administration (e.g. non-residents)
- Align with state policy where applicable (e.g. short term limited duration insurance)
- Minimize, to some extent, potential administrative burden

# Who is required to have health insurance: Process Highlights

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- The Working Group considered all the exemptions under the ACA including implementing regulations and guidance.
- The Working Group heard testimony and received public comment related to the religious conscience exemption, including a request to expand the exemption to include Christian Scientists, similar to Massachusetts.

# How is a mandate enforced

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ENFORCEMENT MECHANISM

# How is a mandate enforced: Legislative Charge

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Act 182 of 2018 Sec. 2. PENALTY FOR FAILURE TO MAINTAIN MINIMUM ESSENTIAL COVERAGE; LEGISLATIVE INTENT

“It is the intent of the General Assembly that the individual mandate to maintain minimum essential coverage established by this act should be enforced by means of a financial penalty or other enforcement mechanism and that the enforcement mechanism or mechanisms should be enacted during the 2019 legislative session in order to provide notice of the penalty to all Vermont residents prior to the open enrollment period for coverage for the 2020 plan year.”

# How is a mandate enforced: Overview and Goal

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As noted earlier, the Working Group was unable to come to consensus on an enforcement mechanism. **Therefore, this section first outlines area of consensus among the group. It then details two sets of options regarding enforcement.**

Despite the lack of consensus, the common goals among Working Group members are to:

- Encourage people to purchase and maintain health insurance coverage and to help keep the number of uninsured individuals low.
- Spread risk and lower premium costs through widespread enrollment in health insurance coverage, among both healthy and less healthy individuals.
- Stabilize the health insurance market.

# How is a mandate enforced:

## Consensus Overview

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The Patient Protection and Affordable Care Act (ACA) established multiple policies to support health care coverage for more Americans:

- Insurance market reforms, including guaranteed issue, community rating, and a ban on preexisting condition exclusions
- Subsidies to make health insurance coverage affordable and Medicaid expansion
- Individual mandate

With ACA implementation, the uninsured rate in the United States has fallen.

There is a range of information about whether any one policy is more or less responsible for this reduction in uninsured.

Therefore, it is important to continue to emphasize the importance of coverage through outreach and to continue to monitor the market for enrollment changes.

# How is a mandate enforced:

## Consensus Overview

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There is consensus that there should be a continued focus and additional emphasis on outreach about health care coverage as a key mechanism to maintain and increase coverage and that improved monitoring and timeliness of data on the uninsured is a good idea.

Not all members of the Working Group, however, believe that these efforts alone are sufficient to maintain and increase coverage.

The following slides detail two sets of options regarding enforcement<sup>1</sup>.

1. Some members of the Working Group believe that a financial penalty, modeled largely on the federal penalty, with some Vermont modifications is an appropriate enforcement mechanism for a state individual mandate.
2. Some members do not support a financial penalty to enforce the mandate and instead recommend enhanced outreach and monitoring of the uninsured.

<sup>1</sup> The Green Mountain Care Board did not take a position.

# Modified Federal Penalty

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# Modified Federal Penalty: Overview

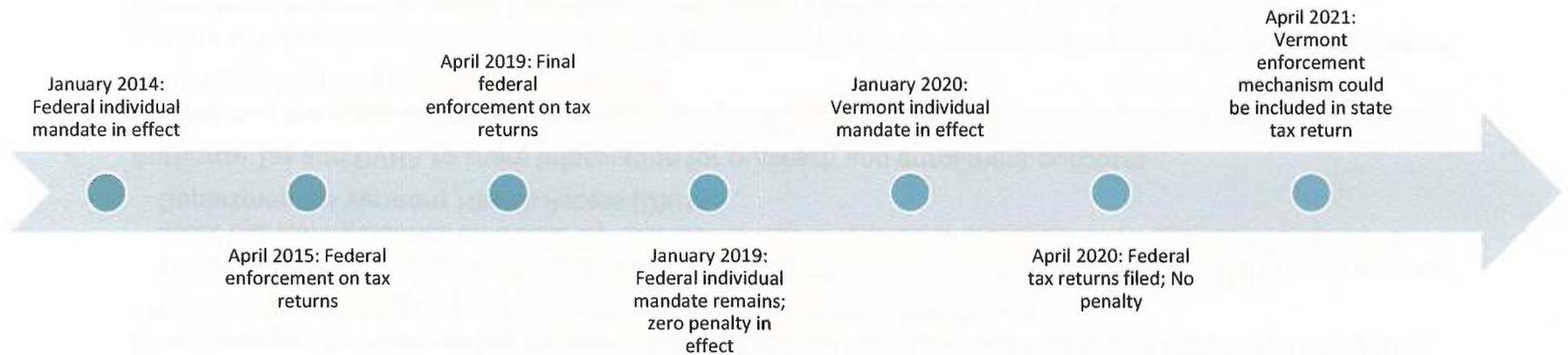
A Vermont income tax penalty at the 2018 federal level (\$695 or 2.5% of income over filing threshold with a cap; prorated for months uninsured and ½ for children) administered through the state income tax structure with the following recommended modifications:

- Use taxpayer Adjusted Gross Income to measure household income for federal poverty level (FPL) calculations for simplicity
- Provide a flat exemption for families below a certain income in the range of 200-400% FPL
  - The Working Group discussed using the Dr. Dynasaur qualification threshold (317% FPL approximately) but did not reach consensus on this level
- Use federal calculation for the affordability exemption (no more than 8.3% of household income) for families above the threshold
- Cap the penalty amount at the lowest-cost state Bronze plan, not the national average
  - Under the ACA, the national average of the lowest cost bronze plans is used as a cap, but the federal government is not expected to continue to do this calculation after 2018.

# Modified Federal Penalty: Considerations

Pros	Cons
Familiar to public and government officials	Administrative burden and new cost to state
Policy continuity with the Affordable Care Act, which maintains the ACA's policy integrity and allows the state to leverage federal guidance, etc.	Penalizes Vermonters who fail to purchase health insurance coverage
Studied actuarial impact	Trade offs exist between complexity and the desire to protect individuals from negative consequences
Provides revenue to offset administrative costs and potentially increase subsidies	Impacts relatively few individuals compared with the level of administrative effort
Increases information available to do outreach to individuals without coverage	Limited impact as a solution to address remaining uninsured
Similar to other states' efforts (MA, NJ, DC)	Proponents of a financial penalty could not find consensus on an affordability threshold, choosing rather to provide a range for policymakers to consider

# Modified Federal Penalty: Timeline



# Modified Federal Penalty: Administration

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Administer the penalty as part of the state income tax system and:

- Allow taxpayers to attest on the income tax form that they have coverage that meets MEC or that they have circumstances meeting an exemption with audits to determine compliance
  - State hardship exemptions will require an application and documentation to determine if the circumstances meet the state guidance on a case-by-case basis. This would require collaboration between Tax and the Department of Vermont Health Access (DVHA).
- Authorize Tax and DVHA to share information for outreach and enrollment purposes
- Provide that the state will discontinue enforcement if the federal penalty is reinstated in the future to avoid double payment of a penalty (similar to MA)
- Subject to federal permission, offer a special enrollment period for individuals impacted by the penalty, which allows them to enroll in health insurance immediately to avoid payment in the subsequent year
- Use any revenue generated by a penalty toward efforts to support coverage (see slide 46 for examples)

# Increased Outreach and Monitoring of the Uninsured

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# Increased Outreach and Monitoring: Overview

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Continued focus and additional emphasis on outreach about health care coverage as a primary mechanism to maintain and increase coverage

- Emphasize the responsibility Vermonters have to maintain health care coverage – that not having insurance negatively impacts the greater community; promote a “taste for compliance,” leveraging Vermont’s socially responsible culture.
- For 2019, concentrate on increases in premium subsidies, relative value of non-silver plans, and option for unsubsidized members to enroll in reflective silver plans outside of the marketplace; the positive impact of subsidies on the uninsured rate has been documented.
- Utilize DVHA’s In-person Assister Program and the marketplace’s 200 Assisters to continue to engage uninsured Vermonters, help them enroll in coverage, and provide data that will inform future enrollment assistance efforts.

Improve monitoring and timelines of data on the uninsured

- Utilize an annual survey, such as the Behavioral Risk Factor Surveillance System (BRFSS), to monitor any changes in Vermont’s uninsured rate, both overall and by specific demographics.
- DVHA will monitor, and report on, enrollment data collected through the marketplace.

# Increased Outreach and Monitoring: Considerations

A financial penalty would be costly to administer and may disproportionately impact economically vulnerable Vermonters. The harm created by implementing a penalty could outweigh any positive impact it will have on Vermont's healthcare market.

There is no agreement in the literature that the individual mandate with a penalty strongly influences people's coverage decisions. Studies address the overall impact of the individual mandate policy, with a small minority extrapolating the impact of the penalty as an enforcement mechanism.

What is clear in the research is that the policy package of subsidies, guaranteed issue, and a requirement to have coverage work together to increase enrollment. Some authors cite a stronger influence from subsidies and Medicaid expansion.

Therefore, this recommendation is to continue to focus on emphasizing the importance of coverage for Vermonters through outreach and continue to closely monitor the market for attrition or other trends that could warrant further action.

# Increased Outreach and Monitoring: Considerations

Pros	Cons
Does not penalize Vermonters and families or exacerbate the benefits cliff	No state-based enforcement mechanism to replace federal one
Focuses on other means of encouraging enrollment and stabilizing marketplace	Actuarial predictions that additional families leave the marketplace
Does not require implementation of a complex, new cost program, impacting a small population	Insurance premiums increased by 1.6% in 2019 for the impact of the penalty repeal
Saves resources required to implement complex program	
Monitoring may facilitate more nuanced policy decisions for Vermont	
Uses strong incentives that are already in place to encourage enrollment (ie APTC)	

# How is a mandate enforced: Process Highlights

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The Working Group used information gathered by the ad hoc Federal Issues Working Group, information from every state with an individual mandate (Massachusetts, Washington DC, and New Jersey), and information from other states actively researching an individual mandate (Maryland, Washington).

- MA is the only state with an individual mandate that pre-existed the ACA and therefore had experience implementing and administering the program at the state level.
- DC and NJ recently enacted state-level mandate programs that are closely modeled on the ACA-with some state-specific adjustments.
- MD considered designing a state program, modeled on the ACA, but with a system for using the penalty payments to offset premium costs of uninsured individuals who subsequently enroll in health insurance coverage. The program administration was complex and the legislation was ultimately not enacted.
- WA state, which does not have an income tax, was consulted on ideas for how to enforce a mandate without the use of the income tax system.
- Former Treasury official, Jason Levitis provided information about the ACA individual mandate design and administration federally.
- The Working Group also utilized IRS Vermont income tax data to determine how many resident taxpayers paid the federal penalty in 2015 and 2016.
- The working group heard testimony from the provider community regarding the volume of uncompensated care and possible reasons to go uninsured.

# How is a mandate enforced:

## Additional Options Considered

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The Working Group considered several other enforcement mechanisms in depth, but ultimately decided **not to pursue these further**. These include:

- Attestation of coverage or exemption on the state income tax return without a financial penalty for noncompliance.
- A state-specific penalty with a larger affordability exemption and progressive structure (Office of Health Care Advocate Proposal - see Resource Slides for details.)
- Tax credit or deduction tailored to the currently uninsured population (e.g. 26-34 with incomes between 150-250% FPL). This demographic is unlikely to have tax liability, so refundable credit more likely to be effective. Provides another point of contact with the uninsured if they are tax filers.
- With any tax-based option, offer special enrollment period around tax filing to encourage the purchase of insurance.
- Premium surcharge of 2% per year for every year uninsured, which would be charged when insurance is purchased. Difficult to administer with the Advance Premium Tax Credits and Vermont Premium Assistance; also difficult to calculate years without insurance because individuals change insurers. (Australia)
- A state penalty program, modeled on the federal penalty, but with a system for using the penalty payments to offset premium costs of uninsured individuals who subsequently enroll in health insurance coverage. The program administration was complex and administratively challenging. (MD)

# How is a mandate enforced: Additional Options Considered

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The Working Group also **brainstormed** alternative enforcement options, none of which warranted exploration. The Working Group **does not recommend** that these options be pursued further:

- Discount on premiums for the uninsured
- Non-income tax penalty or fee: auto license, cell phone, public utilities, bank account
- Waiting periods or delayed effective dates for the uninsured
- Exit fee for dropping insurance or a maintenance of coverage discount
- Have an annual State Lottery for health insurance coverage as an awareness campaign for the importance of coverage, to encourage enrollment, and to identify families in need of insurance
- Waiver of a small penalty or provide a small reward if someone without insurance applies for coverage

# Other mechanisms to enhance enrollment

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# Other Mechanisms to Enhance Enrollment

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An individual mandate is not the only way to enhance enrollment in Vermont. The Working Group briefly discussed additional ideas for how to increase or maintain coverage, but did not pursue them further because they are outside the scope of the project.

These include:

- Increasing subsidies to make premiums for health insurance more affordable
- Age rating the individual and small group market
- Changes to special enrollment policy
- Reinsurance for the individual and small group market

# Public Comments

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# Summary of Public Comments

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## Public Comments on Draft Report:

- 18 Public Comments submitted by people or organizations
- Comments could be submitted at each Working Group meeting, by email or by phone
- The Public Comment period on the draft report was September 28 – October 12, 2018

## Summary of Public Comments on Draft Report (18)<sup>1</sup>:

- Support for maintaining exemption for healthcare sharing ministries (13)
- Support for creating a religious exemption for individuals holding beliefs inconsistent with the requirement to have medical health insurance, and who do not use medical health care during the prior tax year. (1)
- Opposition to a state-based individual mandate/recommendations for alternatives to an individual mandate penalty (4)
  - Of these 4 comments, 2 were opposed due to affordability concerns

Full text of all public comments available [here](#).

<sup>1</sup>For the purposes of summarizing public comments, each comment was categorized based on its primary topic.

## Resources

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# Research, Data, and Other Materials

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## Data:

- Agency of Human Services
  - [Vermont Household Health Insurance Survey 2012 & 2014](#)
  - [Selected excerpts from the 2014 VHHIS](#)
- Department of Vermont Health Access
  - [Health Coverage 1<sup>st</sup> Quarter 2018](#)
  - [Bronze Plans 2018](#)
- Agency of Administration: [Vermont Employer Health Benefits Survey](#)
- Department of Tax: [Comparison of Income Tax Brackets to Federal Poverty Levels pending final review at Tax](#)
- Joint Fiscal Office: [Premium Comparisons](#)
- IRS Data
  - [2016 Report](#) on Individual Income and Tax Data, Vermont
  - [2015 Report](#) on Individual Income and Tax Data, Vermont
  - [Federal Exemptions Data 2014, 2015 & Preliminary 2016](#)
- Lewis and Ellis: [Individual Mandate Study](#)
- Rand Report: [Economic Incidence of Health Care Spending in VT](#)

# Research, Data, and Other Materials

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## Policy Papers and Research:

- The Commonwealth Fund:
  - [State Regulation of Coverage Options Outside of the Affordable Care Act: Limiting the Risk to the Individual Market](#)
  - [The Effect of Eliminating the Individual Mandate Penalty and the Role of Behavioral Factors](#)
  - [First look at health insurance coverage in 2018 finds ACA gains beginning to reverse](#)
- Congressional Budget Office:
  - [Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2018 to 2028](#)
  - [Repealing the Individual Health Insurance Mandate: an updated estimate](#)
- Health Care Advocate Report: [The Cost of Health Insurance: Quantifying the Vermont Affordability Crisis](#)
- New England Journal of Medicine: [The Importance of the Individual Mandate — Evidence from Massachusetts](#)
- Urban Institute: [How Would State-Based Individual Mandates Affect Health Insurance Coverage and Premium Costs?](#)

# Research, Data, and Other Materials

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# Research, Data, and Other Materials

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## Affordable Care Act Individual Mandate Resources:

- [Taxpayer Advocate Service Information on Exemptions](#)
- [Congressional Budget Office Cost Estimate: March 2018](#)
- IRS Forms Related to the mandate:
  - Form 1095-B ([form](#), [instructions](#)): Used by all coverage providers not specifically assigned to Form 1095-A or 1095-C, including issuers outside the Marketplace, Medicare, Medicaid, other govt programs, small employers that self-insure, and others
  - Form 1095-A ([form](#), [instructions](#)): Used by Marketplaces to report individual Marketplace coverage. (Issuers themselves are not required to report on Marketplace coverage.)
  - Form 1095-C ([form](#), [instructions](#)): Used by large employers (at least 50 FTEs) that self-insure. Coverage information is in Part III of the form
  - Form 8965 ([form](#), [instructions](#)): Used to claim exemptions (and the instructions include the penalty calculation rules, though the penalty itself is reported on Form 1040)
  - Form 1040 ([form](#), [instructions](#)): Line 61 includes a checkbox to report full-year coverage or a space to report a penalty payment
- Summary of Federal Exemptions prepared by Department of Vermont Health Access staff:
  - [ACA Affordability Standards](#) and [ACA Exemptions](#)

# Research, Data, and Other Materials

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## Other State Information:

### ➤ District of Columbia:

- [Health Benefit Exchange Authority Website for DC](#)

### ➤ Massachusetts:

- [Massachusetts Affordability Schedule](#)
- [Proposed Affordability Schedule \(presentation for Vote- provides background\)](#)
- [The Massachusetts Individual Mandate: Design, Administration, and Results](#)
- **Laws and Rules regulating the individual mandate**
  - [Title XVI, Chapter 111M: Individual Health Coverage](#)
  - [Title XXII Chapter 176Q: Commonwealth Health Insurance Connector](#)
  - [956 CMR: Commonwealth Health Insurance Connector Authority](#)
- [Reconciling the Massachusetts and Federal Individual Mandates for Health Insurance](#)

## Example of a Vermont Specific Penalty with a Larger Exemption and Progressive Structure

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The following example provides for a Vermont specific penalty with a larger affordability exemption and a progressive penalty structure, as compared to the recommended modified federal penalty. The Office of the Health Care Advocate (HCA) initially proposed this approach as an alternative to the modified federal penalty. However, the HCA supports the recommended modified federal penalty detailed in slides 32-36.

The state-specific penalty design would enforce the individual mandate while addressing three major issues: avoiding penalizing individuals for failing to purchase health insurance when the premiums and out-of-pocket deductibles are unaffordable; making the penalty more progressive; and increasing administrative simplicity.

- Flat exemption from the penalty for all families below 400% FPL
- Penalty amount is a progressive percentage of household income ranging from 0.5% for those above 400% FPL to 2.0% for the highest income families with no overall cap; prorated for the number of months uninsured
- Additional affordability exemption based on the lowest-cost state GOLD level plan as a percentage of household income to address out-of-pocket cost concerns (between 400-500% FPL = 12.56% and above 500% FPL = 16%)

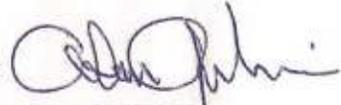


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*Adam Greshin, Commissioner*

## MEMORANDUM

**TO:** Joint Fiscal Committee  
**FROM:** Adam Greshin, Commissioner of Finance and Management   
**RE:** Special Funds Created in FY 2018; Special Fund Balances at End of FY2018  
**DATE:** October 23, 2018

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Pursuant to 32 VSA Sec. 588(6), attached please find the list of Special Funds created in FY 2018, with name, authorization, and revenue source; and the list of Special Funds and their balances at the end of FY 2018.

Thank you.

**Report on Special Funds Created in FY 2018**

Submitted to the Joint Fiscal Committee pursuant to 32 VSA Sec 588(6)

<b>Dept/Name of Fund</b>	<b>Authorization</b>	<b>Revenue Source</b>
<b>Agency of Education</b>		
Education Financial Systems Fund	32 V.S.A. § 6075a	Appropriations/Transfers
<b>Agency of Natural Resources</b>		
Saint-Gobain Waterline Fund	32 V.S.A. § 585	Settlement Monies
<b>Office of the Attorney General</b>		
Complex Litigation Special Fund	3 V.S.A. § 167a	Appropriations/Transfers/Settlement Monies

Special Fund Summary - End of FY 2018						
Special Fund Name	SF#	Fund Net Assets 7/1/2017	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/2018
Financial Literacy Trust Fund	21001	17,907.10	440.38	(9,643.69)	12,236.64	20,940.43
Financial Literacy Commission	21003	11,578.95	657.69	-	(12,236.64)	-
FMS System Development Fund	21005	1,474,834.16	590,380.52	(127,989.00)	(1,000,000.00)	937,225.68
State College Bond	21010	-	-	-	-	-
Elva S Smith Bequest	21015	127,004.30	110,716.15	(33,227.23)	-	204,493.22
Lw-IVL Radioactive Waste Cmpct	21020	(109,863.71)	(2,015.70)	(68,460.14)	-	(170,389.55)
Radiological Emerg Response	21025	23,230.78	302,341.32	(325,504.43)	-	67.67
Exxon Settlement Fund	21030	-	-	-	-	-
Stripper Well Settlement Fund	21035	-	-	-	-	-
Diamond Shamrock Refining Fund	21040	-	-	-	-	-
Getty Oil Company Settlement	21045	-	-	-	-	-
Public Defender Special Fund	21050	173,945.12	589,474.27	(574,662.00)	-	188,757.39
Misc Fines & Penalties	21054	519,383.60	192,391.93	(260,771.36)	-	451,014.17
State-Local Fines Fund	21055	-	-	-	-	-
Genetic Engineered Food Label	21057	-	-	-	-	-
Vt Dairy Promotion Fund	21060	508,079.84	2,665,364.42	(2,727,213.63)	-	445,230.43
VDCP State Portion	21061	234,491.58	268,749.96	(239,087.26)	-	264,154.28
Financial Institut Supervision	21065	734,373.26	2,816,006.15	(2,366,137.42)	-	1,184,241.99
Health Care Suprv & Reg	21070	-	-	-	-	-
Insurance Regulatory & Suprv	21075	-	18,172,581.17	(7,284,985.47)	(6,456,025.43)	4,431,570.27
Securities Regulatory & Suprv	21080	-	11,588,790.00	(1,390,608.86)	(10,198,181.14)	-
Captive Insurance Reg & Suprv	21085	-	5,051,944.75	(5,058,381.32)	(3,563.43)	(0.00)
VOH Wk Cmp Self-Ins Corp Trst	21090	41.68	(41.68)	-	-	-
Passenger Tramways	21095	196,234.85	395,566.21	(396,329.71)	-	195,471.35
Elevator Safety Fund	21097	42,568.37	97,275.00	(121,039.54)	-	18,793.83
Licensing & Inspection Spec Fd	21099	-	-	-	-	-
Fire Prevention Fund	21100	-	-	-	-	-
Worker's Comp Admin Fund	21105	6,196,482.90	2,841,614.58	(2,540,772.00)	-	6,497,325.48
Employee Leasing Companies	21110	275,266.84	77,900.00	(1,532.39)	-	351,634.45
Crim Justice Training Council	21115	-	-	-	-	-
Fire Service Training Council	21120	69,525.56	1,231,955.36	(1,150,000.40)	(120,000.00)	31,480.52
Haz Chem & Subst Emerg Resp	21125	378,678.11	964,086.13	(783,482.53)	(200,000.00)	359,301.71
Criminal History Records Check	21130	207,380.57	1,892,886.04	(904,776.00)	-	1,189,490.61
Vt Law Telecommunications	21135	84,524.49	174,750.00	(228,274.00)	-	31,000.49
DUI Enforcement Special Fund	21140	3,369.70	1,475,644.30	(1,483,175.00)	-	(4,161.00)
Drug Task Force	21141	18,575.16	48,519.90	(66,760.06)	-	335.00
Youth Substance Abuse Safety P	21142	93,716.61	55,204.89	(77,121.00)	-	71,800.50
Victims Compensation Fund	21145	460,208.80	2,193,645.11	(2,120,093.95)	-	533,759.96
Prof Regulatory Fee Fund	21150	3,464,761.20	4,175,369.76	(6,224,482.94)	-	1,415,648.02
Rulemaking Advertising Fund	21155	-	-	-	-	-
Vermont Campaign Fund	21160	-	-	-	-	-
Funeral & Burial Service Trust	21165	239,815.28	3,326.23	-	-	243,141.51
EO School Interest Program	21170	-	-	-	-	-
Palo Pinto Fund	21175	-	-	-	-	-
Independence Fund	21180	-	-	-	-	-
Children's Trust Fund	21185	68,005.05	10,000.24	(60,000.00)	-	28,005.29
Correctional Facilities Rec Fd	21190	337,532.71	755,123.01	(662,655.74)	-	429,999.98
Vermont Health Access Trust	21195	-	-	-	-	-
Catamount Fund	21196	-	-	-	-	-
Health Care Trust Fund	21200	-	-	-	-	-
Dsw-MDRC-10% Retainage	21205	-	-	-	-	-
PATH-Mtn View Escrow Fund	21208	-	-	-	-	-
PATH-Morrisville Ctr Escrow Fd	21209	-	-	-	-	-
Home Heating Fuel Asst Trust	21210	-	-	-	-	-
PATH-Dartmouth-Hitchcock Escro	21211	-	-	-	-	-
PATH-Civil Monetary Fund	21213	508,699.40	212,660.29	(53,796.61)	-	667,563.08
Robert Wood Johnson Fund	21215	-	-	-	-	-
Path-Commonwealth Fund	21217	-	-	-	-	-
PACE Grant	21219	-	-	-	-	-
Mental Health Risk Pool	21220	425.10	5.89	-	-	430.99
Vermont State Hospital Canteen	21225	-	-	-	-	-
Home Weatherization Assist	21235	1,288,524.14	10,185,753.70	(9,587,425.30)	84,939.00	1,931,791.54
VT Healthcare Ed Loan Repaymnt	21238	-	-	-	-	-
Teacher Licensing Fund	21240	251,552.56	1,238,535.00	(1,146,841.80)	-	343,245.76
ROPA Program Fund	21241	24,501.37	30,500.00	(43,458.92)	-	11,542.45
Education Financial Systems	21244	-	-	(25,322.64)	3,139,252.28	3,113,929.64
Post Secondary Certification	21245	9,000.00	17,500.00	(9,000.00)	-	17,500.00
General Education Development	21250	-	1,050.00	-	-	1,050.00
Petroleum Cleanup Fund	21255	3,423,672.58	6,545,275.55	(4,230,417.48)	-	5,738,530.65
Act 250 Permit Fund	21260	703,594.64	1,966,289.70	(2,431,588.83)	-	238,275.51

Special Fund Summary - End of FY 2018						
Special Fund Name	SF#	Fund Net Assets 7/1/2017	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/2018
Sugarbush-Snowmaking	21265	-	-	-	-	-
State Forest Parks Fund	21270	1,187,823.79	10,159,574.69	(10,156,164.28)	-	1,191,234.20
Environmental Contingency Fund	21275	1,393,987.60	6,776,441.69	(1,892,197.16)	(260,000.00)	6,028,232.13
Mitec Settlement Fund	21280	-	-	-	-	-
Saint-Gobain Waterline Fund	21281	-	7,120,810.29	(6,550,264.81)	-	570,545.48
Waste Management Assistance	21285	3,247,830.75	5,652,147.21	(4,678,923.08)	-	4,221,054.88
Hazardous Waste Fund	21290	155,227.54	69,827.39	(104,643.25)	-	120,411.68
FPR - Land Acquisitions	21293	175,802.25	556.79	(214.38)	-	176,144.66
Environmental Permit Fund	21295	4,734,246.53	9,782,233.34	(9,450,168.18)	(275,000.00)	4,791,311.69
Hydroelectric Licensing Fund	21300	-	-	-	-	-
Pownal Tanning Settlement	21305	-	-	-	-	-
VT Wastewater & Potable Water	21311	863,769.12	51,765.92	(283,469.15)	275,000.00	907,065.89
Ecosystem Rest & Water Quality	21313	97,577.04	127,634.42	(105,382.99)	-	119,828.47
Sunderland Landfill	21315	4,600.71	63.81	-	-	4,664.52
Central Vt Shopping Ctr	21320	51,344.38	712.13	-	-	52,056.51
Chemical High Concn Children	21321	(108,028.90)	51,743.08	(111,262.65)	-	(167,548.47)
Historic Sites Special Fund	21325	102,245.32	518,711.77	(537,037.18)	-	83,919.91
Vt Center for Geographic Infor	21328	-	19,181.61	(8,551.10)	-	10,600.51
Municipal & Regional Planning	21330	455,941.00	6,388,879.46	(3,749,688.74)	(2,611,390.63)	483,741.09
Insurance Reserve Fund	21335	251,640.40	336,652.63	-	-	588,293.03
Out-Of-State Power Sales Fund	21340	-	-	-	-	-
Unorganized Towns-Bennington	21345	25,583.04	59,179.88	(76,804.01)	-	7,958.91
Unorganized Towns-Chittenden	21350	(67,014.62)	122,334.38	(69,680.64)	-	(14,360.88)
Unorganized Towns-Windham	21355	24,000.76	270,082.41	(267,092.51)	-	26,990.66
Unemployment Comp Admin Fund	21360	1,757,780.54	775,000.00	(813,038.76)	-	1,719,741.79
Tobacco Litigation Settlement	21370	366,226.53	69,014,134.23	(24,137,064.22)	(15,243,148.64)	20,000,147.90
AG-Tobacco Settlement	21372	113,166.30	-	(8,658.27)	-	104,508.03
Tobacco Trust Fund	21375	114,360.02	6,861.36	(89,120.34)	(6,851.36)	25,239.68
Rockefeller State Zoning Fund	21380	-	-	-	-	-
Student Asst Corp. Guar Resrve	21385	-	-	-	-	-
Williamstown Env & Public Hlth	21390	193,121.40	2,678.58	-	-	195,799.98
Mount Independence Historic	21395	-	-	-	-	-
State Register Publications Fd	21397	1,518.53	-	-	-	1,518.53
Pownal Trailer Park Fund	21400	-	-	-	-	-
Bond Investment Earnings Fund	21405	205,787.67	1,014,339.05	-	-	1,220,126.72
DWI Forfeiture Vehicles	21410	-	-	-	-	-
Vt Racing-Unclaimed Tickets	21415	-	-	-	-	-
Pownal Tanning Settlement II	21420	-	-	-	-	-
Long Term Disabilities	21425	-	-	-	-	-
Flexible Spending	21430	374,184.85	2,199,344.42	(2,111,698.60)	-	461,830.67
AHS Administrative Fund	21435	-	-	-	-	-
All Terrain Vehicles	21440	57,530.36	440,611.94	(425,875.29)	-	72,267.01
Art Acquisition Fund	21445	45,500.00	-	(28,500.00)	110,000.00	128,000.00
Gross Revenue Fund	21450	-	-	-	-	-
Fuel Efficiency Fund	21452	-	-	-	-	-
Vt Recreational Trails Fund	21455	465,102.89	-	(420,808.13)	370,000.00	414,294.76
Laboratory Services	21460	7,812.52	685,657.51	(686,002.01)	-	7,468.02
Organ Donation Special Fund	21463	-	2,607.00	(265.90)	-	2,341.10
Meals Fund	21465	-	-	-	-	-
Medical Practice	21470	1,772,063.47	378,045.59	(1,167,167.19)	-	962,941.87
Hospital Licensing Fees	21471	106,435.18	143,622.00	(138,823.10)	-	111,234.08
Natural Resources Mgmt	21475	1,236,000.85	829,597.68	(667,610.87)	-	1,197,987.66
Otto Johnson Fund	21480	-	7,219.69	(7,219.69)	-	-
PILOT	21485	3,720,994.73	8,474,860.16	(7,970,000.00)	-	4,225,854.89
Rabies Control	21490	5,552.00	72,217.00	(31,788.00)	(38,852.00)	7,129.00
VT Working Lands Enterprise	21493	830.86	20,164.06	(31,407.00)	-	(10,412.08)
Snowmobile Trails	21495	270,616.79	544,472.80	(691,294.50)	-	123,795.09
Inter-Unit Transfers Fund	21500	6,423,007.80	55,225,268.73	(72,394,788.48)	16,839,346.00	6,092,834.05
ARRA Inter-Unit Subaward Fund	21502	36,175.61	-	-	-	36,175.61
Boating Safety	21505	41,411.37	-	(153,759.00)	131,865.55	19,617.92
Use Tax Fund	21510	-	-	-	-	-
Treas. Retirement Admin Cost	21520	(9,889.50)	2,640,311.92	(2,640,311.92)	-	(9,889.50)
Conference Fees & Donations	21525	55,515.32	64,772.17	(73,451.22)	(665.00)	46,181.27
Success by Six	21530	-	-	-	-	-
School Match	21535	444,954.23	27,255,090.51	(26,985,240.00)	-	714,804.74
DDMHS Provider Inpatient Pool	21540	-	-	-	-	-
Lands and Facilities Trust Fd	21550	2,490,910.93	666,567.19	(101,578.24)	(429,000.00)	2,526,899.88
Emergency Relief & Assist Fd	21555	2,539,639.55	-	(465,638.11)	809,729.00	2,883,730.44
Public Assistance Recoveries	21560	1,205.72	9,461.03	(8,399.75)	-	1,267.00
PATH-Donations	21565	-	-	-	-	-

Special Fund Summary - End of FY 2018						
Special Fund Name	SF#	Fund Net Assets 7/1/2017	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/2018
Food Stamp Recoveries	21570	25,562.39	121,893.23	(128,278.00)	-	19,177.62
Downtown Trans & Capital Impro	21575	1,078,758.04	-	(408,828.00)	423,966.00	1,093,895.04
Archives Workshop Fund	21580	-	-	-	-	-
F&M-FinOps-Duplicate Payments	21581	-	-	-	-	-
Surplus Property	21584	449,755.85	314,675.57	(517,434.74)	-	246,996.68
Pers-Human Resourc Development	21585	298,664.99	74,282.84	(60,881.23)	-	312,066.60
Lib-Suzanne Crandall Fund	21587	-	-	-	-	-
Tax-DOQ Mapping Project	21589	-	-	-	-	-
Tax-Miscellaneous Fees	21590	(25,015.20)	232,719.70	(295,844.87)	-	(88,140.37)
Tax-Local Option Process Fees	21591	365,924.15	790,349.64	(451,315.43)	-	704,958.36
Tax-DOQ Mapping Project	21593	-	-	-	-	-
Tax-Current Use Admin	21594	754,574.67	764,944.73	(533,622.76)	(246,944.73)	738,951.91
Public Records Special Fund	21595	63,510.86	8,441.75	(12,000.00)	-	59,952.61
BGS-BTS Marketing Costs	21599	-	-	-	-	-
BGS-Duxbury/Moretown	21600	156.44	5.98	-	-	162.42
Vital Records Special Fund	21602	-	-	-	-	-
Motorist Aid Refreshment Prog	21603	126,789.50	120,900.85	(86,784.43)	-	160,905.92
BGS-Recycling Efforts	21604	162,673.76	5,876.06	(9,047.43)	-	159,502.39
BGS-Newport Office Bldg	21605	-	-	-	-	-
BGS-Newport Office	21606	2,500.00	-	-	-	2,500.00
BGS-Springfield Special Fund	21608	-	-	-	-	-
BGS-Sale of Ludlow	21610	-	-	-	-	-
BGS-Donations-St House Restore	21612	543.41	-	-	-	543.41
BGS-Sale of State Land	21613	67,955.00	354,529.38	(500.14)	-	421,984.25
BGS-VSC-Capital Improvement-97	21617	-	-	-	-	-
BGS-VSC-Capital Improvement	21618	-	-	-	-	-
BGS-VSC-Capital Improvements	21620	-	-	-	-	-
BGS-VSC-Capital Improve	21621	-	-	-	-	-
Vt State Colleges	21622	-	-	-	-	-
BGS-Transportation-Derby Garag	21623	-	-	-	-	-
Exec-Conference Fees	21624	-	-	-	-	-
Leg-State House Sick Room	21626	1,197.90	-	-	-	1,197.90
Leg-Sgt at Arms-Use of St Hou	21627	2,197.26	-	-	-	2,197.26
St Labor Relations Bd-Misc Rec	21633	9,445.52	2,522.05	(2,254.59)	-	9,712.98
AG-Consumer Fraud Restitution	21634	38,740.65	9,700.00	(24,100.00)	-	24,340.65
AG-Fees & Reimburs-Court Order	21638	132,962.55	3,080,112.78	(1,172,221.77)	(1,964,612.78)	76,240.78
AG-Court Diversion	21639	-	360,428.59	(360,428.59)	-	-
AG-Administrative Special Fund	21641	-	4,838.47	-	-	4,838.47
SA-Windsor Comm Prosecution Gr	21646	2,583.57	-	-	-	2,583.57
St Atty-Kidsafe	21647	-	-	-	-	-
PS-Sale of Photos	21651	5,083.92	22,911.50	(25,000.00)	-	2,995.42
PS-Evidence Forfeitures	21655	-	-	-	-	-
PS-Boating Safety Violations	21656	-	-	-	-	-
PS-Explosive Handlers	21659	-	-	-	-	-
Mil-Armory Rentals	21660	7,839.70	7,325.00	-	-	15,164.70
Mil-Sale of Bur Armory & Othe	21661	-	-	-	-	-
Mil-Vets Cemetery Contribution	21662	551,306.16	153,667.58	(114,549.16)	-	590,424.58
AF&M-Agricultural Events	21666	33,841.58	5,880.00	(6,334.81)	-	33,386.77
AF&M-Laboratory Testing	21667	139,624.10	597,819.30	(424,302.09)	-	313,141.31
AF&M-Feed Seeds & Fertilizer	21668	1,696,064.07	1,983,566.37	(1,487,158.52)	-	2,192,471.92
AF&M-Pesticide Monitoring	21669	1,085,724.99	1,900,060.01	(1,392,754.30)	-	1,593,030.70
AF&M-Apple Marketing Board	21670	-	-	-	-	-
AF&M-Agricultural Fees	21671	13,269.89	15,886.29	(9,537.98)	-	19,618.20
AF&M-Terminal Mkts-Ship Insp	21672	-	-	-	-	-
AF&M-Weights & Measures-Testin	21673	464,876.93	675,764.94	(645,153.91)	-	495,487.96
AF&M-Lk Champ Phosphorous Redu	21675	-	-	-	-	-
AF&M-Livestock Dealers/Transpo	21676	131,114.30	24,275.87	(25,475.47)	-	129,914.70
AF&M-Mosquito Control	21678	(110,329.16)	-	-	92,305.98	(18,023.26)
AF&M-Housing & Conservation Bd	21680	(10,767.65)	163,068.22	(144,310.29)	-	7,988.28
AF&M-Eastern States Building	21682	275,994.52	217,463.41	(415,122.74)	-	78,335.19
AF&M-Dairy Receipts	21684	92,805.42	109,100.00	(110,278.15)	-	91,627.27
AF&M-Meat Handlers	21685	52,682.29	40,518.06	(18,797.79)	-	74,402.56
AF&M-Pesticide Control	21686	140,016.17	110,440.00	(97,325.07)	-	153,131.10
AF&M-Promotional Activities	21687	30,264.80	33,609.83	(33,208.50)	-	30,665.93
AF&M-West Nile Virus	21688	-	-	-	-	-
BISHCA-Docket	21690	24,422.95	-	-	-	24,422.95
Human Rights Commission	21692	94,014.52	-	-	-	94,014.52
SOS-VT Practitioner Hlth Prog	21696	-	-	-	-	-
PSD-Regulation/Energy Efficien	21698	620,010.11	9,372,586.95	(6,697,224.09)	(3,467,437.72)	(172,084.75)
PSD - Billback & EEU pass thru	21699	(39,544.67)	3,958,925.08	(4,258,828.75)	-	(339,448.34)

Special Fund Summary - End of FY 2018						
Special Fund Name	SF#	Fund Net Assets			Other Financing Sources (Uses)	Fund Net Assets 6/30/2018
		7/1/2017	All Revenues	All Expenses		
PSD-Telecomm Serv for Deaf	21703	(543.58)	299,943.33	(252,989.74)	-	(13,569.99)
PSD-Consumer Ed/Protection Pro	21704	-	-	-	-	-
PSD-Hydroquebec Power	21705	-	-	-	-	-
PSD-Rate & Tariff Power	21706	-	-	-	-	-
PUC-Special Fds	21709	4,568,556.73	81,466.42	(3,567,907.53)	3,317,437.72	4,399,553.34
Enhanced 9-1-1 Board	21711	1,010,242.03	4,842,364.00	(4,836,989.63)	-	1,015,616.40
OCS-Child Supp Collect-ANFC	21721	-	427,276.00	(427,276.00)	-	-
HE-Contributions & Donations	21723	-	-	-	-	-
HE-Education & Promotion Svcs	21724	-	-	-	-	-
HE-CSTE Grant	21730	-	-	-	-	-
HE-Food & Lodging Fees	21731	353,968.94	1,460,281.91	(1,555,479.27)	-	258,771.58
CORR-Ford Foundation Grant	21744	-	-	-	-	-
CORR-Windsor School Spec Fund	21747	-	-	-	-	-
GCW-Misc	21748	9,863.95	2,000.00	(2,000.00)	-	9,863.95
DET-Adm Rec/Fac Admin Other Fd	21749	-	-	-	-	-
DET-SRS-BYEP Other Funding Src	21750	-	-	-	-	-
DET-Apprenticeship Train OFS	21752	1,003,780.62	443,679.70	(400,000.00)	-	1,047,460.32
ED-Wards of St-Non-Special Edu	21757	-	-	-	-	-
ED-Conference Fees	21760	-	-	-	-	-
ED-Health-Infants & Toddlers	21763	-	-	-	-	-
ED-Medicaid Reimb-Admin	21764	2,819,499.80	-	(19,182,809.37)	19,199,382.62	2,836,072.85
E911-Universal Service Fund	21766	-	-	-	-	-
Vets Home-Private Pay	21767	(440,857.01)	-	-	-	(440,857.01)
Vets Home-Don Applied Income	21768	109,436.29	-	-	-	109,436.29
NR-Stratton Corp	21769	-	-	-	-	-
Local Comm Implementation Fund	21772	-	-	-	-	-
Impaired Water Restoration Fnd	21773	606,562.28	53,394.17	-	-	659,956.45
Pollution Prevention Plans Fee	21776	5,026.82	61,395.00	(70,128.00)	-	(3,706.18)
FPR-Laura Burnham Estate	21778	4,606.25	-	-	-	4,606.25
FPR-Youth Conservation Corps	21779	-	488,382.00	(488,382.00)	-	-
FPR-Earth People's Park	21781	134.74	-	-	-	134.74
Vermont Medicaid	21782	912,467.01	1,790.73	-	-	914,257.74
FPR-FEMA Disasters	21783	-	-	-	-	-
New York Medicaid	21785	(571,884.12)	-	-	-	(571,884.12)
Streamgauging Fees	21786	42,246.72	23,070.00	(23,070.48)	-	42,246.24
EC-Geological Publications	21787	2,642.28	678.00	(348.00)	-	2,972.28
Miscellaneous Settlement Fund	21788	3,902,900.92	-	(181,252.12)	-	3,721,648.80
EC-Tax Loss-Conn Riv Flood Ctl	21789	(17,350.00)	48,580.00	(31,230.00)	-	-
EC-Aquatic Nuisance Control	21790	-	-	-	-	-
SRF Admin	21793	113.75	260,505.14	(615,844.37)	-	(355,225.48)
ACCD-HP-Donation Program	21794	-	-	-	-	-
ACCD-ISO 9000 Training	21799	-	-	-	-	-
VHCTF-VHFA-Lead Program	21804	-	-	-	-	-
VHCTF-ISTEA III-AOT Enhanc Pro	21805	-	-	-	-	-
SRS-Special Ed Medicaid	21808	-	-	-	-	-
SRS-Social Security	21809	-	791,860.79	(791,860.79)	-	-
SRS-Parental Child Support	21810	1,359.96	82,109.12	(83,469.08)	-	-
Attorney Admission, Licensing, &	21811	935,218.63	774,089.07	(844,718.42)	-	864,589.28
SOS-Corporations	21812	-	-	-	-	-
VR Fees	21813	-	1,671,898.15	(1,671,898.15)	-	-
DAD-Donations	21814	-	-	-	-	-
DAD-Vending Facilities	21815	-	72,982.61	(72,982.61)	-	-
DAD-RWJ	21816	-	-	-	-	-
DAD-Conference Fees	21817	-	-	-	-	-
Act 160	21818	-	-	-	-	-
ACCD-Mobile Home Park Laws	21819	-	77,808.00	(77,800.63)	-	7.37
ACCD-Miscellaneous Receipts	21820	419,949.09	30,269.58	(7,681.68)	-	442,536.99
ACCD-HS-Donation Program	21821	-	-	-	-	-
ACCD-Tourism & Marketing Broch	21822	542,247.24	296,286.79	(263,470.06)	-	575,063.97
Sale of Copies/Publications	21824	5,343.66	186.35	-	-	5,529.91
Memorial Gifts	21825	689.78	-	-	-	689.78
HE-Teaching Services	21826	-	-	-	-	-
HE-Community Nursing Services	21827	-	-	-	-	-
HE-Lead Abatement Fees	21828	21,421.00	32,530.00	(6,936.92)	-	47,014.08
HE-Third Party Reimbursement	21829	4,535,891.60	9,348,241.14	(4,248,659.82)	-	9,635,472.92
HE-Dental Care for Homeless	21830	-	-	-	-	-
HE-Injury Prevention	21831	-	-	-	-	-
HE-Asbestos Fees	21832	36,743.98	197,220.00	(172,296.50)	-	61,667.48
HE-Conference Fees	21833	-	-	-	-	-
HE-Medicaid in Schools	21834	-	-	-	-	-

Special Fund Summary - End of FY 2018						
Special Fund Name	SF#	Fund Net Assets 7/1/2017	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/2018
HE- Community Services	21835	-	-	-	-	-
HE-AIDS Medication Rebates	21836	1,060,128.03	872,668.82	(1,083,878.16)	-	848,918.69
HE-ADAP DDRP Fees	21837	-	96,800.00	(96,800.00)	-	-
HE-Vital Records Certificates	21838	-	-	-	-	-
HE-VT Health Foundation	21839	-	-	-	-	-
HE-American Legacy Foundation	21840	-	-	-	-	-
CORR-Supervision Fees	21843	3,617,208.67	707,799.28	(518,003.22)	-	3,807,004.73
PERS-Recruitment Services	21844	(31,834.66)	75,178.43	(50,063.05)	-	(6,719.28)
Chittenden COPS Grant	21845	-	-	-	-	-
Chitt-Women Help Battered Wome	21846	-	-	-	-	-
Windsor-Armory Square Project	21847	-	-	-	-	-
ED-Private Sector Grants	21848	383,994.36	218,287.85	(338,543.34)	(9,912.61)	253,826.26
PS-Reports	21850	-	-	-	-	-
PS-Law Enforcement Services	21851	7,107.69	375,743.78	(361,754.36)	-	21,097.11
PS-VAST	21852	-	29,247.26	(29,247.26)	-	0.00
PS-Alarm Fees	21854	-	-	-	-	-
PS-Dispatching Services	21855	-	-	-	-	-
PS-Fingerprint Fees	21856	40,394.78	222,096.50	(179,513.75)	(40,000.00)	42,877.53
PS-VIBRS	21857	460,872.69	979,192.94	(1,373,931.83)	-	66,133.70
SRS-Build Bright Spaces/Future	21858	14,322.82	11,523.36	-	-	25,846.18
PATH-Other Administration	21860	-	-	-	-	-
EC-Laboratory Receipts	21861	-	-	-	-	-
EC-Motorboat Registration Fees	21862	1,348,813.82	-	(493,345.35)	487,902.54	1,344,371.01
FSTC-Insurance Tax Assessment	21863	-	-	-	-	-
FSTC-Industrial Tuition	21864	-	-	-	-	-
FSTC-Fire Service Tuition	21865	-	-	-	-	-
CJTC-Surcharge Fees	21866	-	-	-	-	-
CJTC-Tuition Fund	21867	-	-	-	-	-
Special Funds Debt Service	21868	7,080.00	-	-	-	7,080.00
Securities Regulation/Supervis	21869	-	-	-	-	-
Misc Special Revenue	21870	1,057,101.55	2,498,599.70	(2,466,329.98)	-	1,089,371.27
OCS-Pass Through- ANFC	21873	-	-	-	-	-
OEO-Farm to Family Donations	21874	-	-	-	-	-
OEO-CAA Crisis Fuel Return	21876	-	-	-	-	-
BGS-PS 911 Equipment	21877	-	-	-	-	-
FW-Endanger/Threatened Species	21878	-	-	-	-	-
AHS-Annie Casey	21879	-	-	-	-	-
Packard Foundation	21880	-	-	-	-	-
Paul Foundation	21881	-	-	-	-	-
DAD-Johnson & Johnson	21882	-	-	-	-	-
Gates Foundation Grants	21883	18,300.52	253.82	-	-	18,554.34
Emerg Pers Survivor Benefit Fd	21884	161,329.56	2,237.62	-	-	163,567.18
Judicial Project Support	21885	-	-	-	-	-
Treas-Refunding Bond Issue	21886	-	-	-	-	-
OEO-Conference Fees	21887	-	-	-	-	-
Treas-Citizens Bond	21888	-	-	-	-	-
Risk Manage Ag Producers	21889	73,016.15	3,884.44	(16,042.50)	-	60,858.09
State's Att & Sheriff-Misc	21891	19,799.90	100,999.11	(102,577.53)	-	18,221.48
BGS-Sale of Prop/Montpelier	21892	-	-	-	-	-
DPS-City of ST Albans/GTEA	21893	-	-	-	-	-
Green Mtn Cons Camp Endowment	21894	108,228.32	12,218.72	(85,000.00)	-	35,447.04
Upper Valley Regional Landfill	21895	182,084.97	2,504.72	(1,918.64)	-	182,671.05
Waterfront Preservation	21896	-	-	-	-	-
Emergency Medical Services Fnd	21897	464,296.29	5,657.72	(167,150.10)	150,000.00	452,803.91
Entergy-Windham Cnty Econ Dev	21898	3,152,853.06	2,000,000.00	(1,331,477.63)	-	3,821,375.43
Connectivity Fund	21899	1,771,699.24	439,573.94	(163,279.78)	(1,972,322.98)	75,670.42
Other Special Funds	21900	-	-	-	-	-
Fire Prev/Bldg Inspect Sp Fund	21901	932,426.19	6,082,176.76	(6,680,376.69)	(81,830.00)	262,396.26
Health Department-Special Fund	21902	207,800.54	2,444,943.36	(2,712,126.64)	-	(59,382.74)
PATH-Misc Fund	21903	-	1,485,272.92	(18,678,196.33)	18,500,149.07	1,309,225.66
Wallace Foundation-SAELP	21904	-	-	-	-	-
Transportation Special Fund	21905	70,000.00	-	-	-	70,000.00
Financial Services Education	21906	126,655.68	18,881.69	-	-	145,537.37
Polygraph Exam & License Fees	21907	-	-	-	-	-
Misc Grants Fund	21908	52,869.48	461,556.86	(206,993.56)	-	307,432.78
Tax Computer Sys Modernization	21909	4,140,544.91	11,488,846.40	(5,880,584.00)	(3,021,474.00)	6,727,333.31
Counselor Regulatory Fee Fund	21910	2,125.00	-	-	-	2,125.00
Sarcoidosis Benefit Trust Fund	21911	(500.30)	-	-	-	(500.30)
Evidence-Based Educ & Advertis	21912	2,938,268.05	3,168,283.15	(2,281,645.15)	-	3,824,906.05
Workforce Ed & Training Fund	21913	2,459,301.14	-	(1,045,218.36)	1,045,400.00	2,459,482.78

Special Fund Summary - End of FY 2018						
Special Fund Name	SF#	Fund Net Assets 7/1/2017	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/2018
Job Start Revolving Loan Fund	21914	-	-	-	-	-
Crime Victims Restitution Fund	21915	1,543,971.64	2,296,523.09	(1,826,839.50)	-	2,013,655.23
Vermont Health IT Fund	21916	7,299,502.02	3,914,003.82	(4,701,570.08)	(389,103.00)	6,112,832.76
Public Funds Investigation	21917	100,000.00	-	-	-	100,000.00
Archeology Operations	21918	75,200.94	26,500.00	(4,342.94)	-	97,358.00
EB-5 Special Fund	21919	80,438.67	92,667.08	(5,685.15)	-	167,420.60
VOL Membership/Dues	21920	249,268.46	-	(58,260.00)	-	191,018.46
Green Mountain Care Fund	21921	-	-	-	-	-
Blood & Breath Alcohol Testing	21922	1,039.50	61,894.00	(60,609.00)	-	2,324.50
Historic Property Stab & Rehab	21923	32,917.00	-	-	-	32,917.00
Vermont Veterans Fund	21924	42,306.52	109,575.82	(86,688.70)	-	65,183.64
Restitution Special Fund	21925	5,436.77	5,193.62	(10,000.00)	-	630.39
Domestic & Sexual Violence	21926	41,003.65	901,087.25	(812,768.21)	-	129,322.69
Supplemental Property Tax Relief	21927	3,139,252.28	-	-	(3,139,252.28)	-
Secretary of State Services	21928	130,000.00	7,198,002.78	(4,566,118.87)	(2,559,883.91)	200,000.00
Vermont Renewable Energy Fund	21930	-	-	-	-	-
Clean Water Fund	21932	6,448,728.86	4,787,958.52	(3,956,777.98)	(1,225,000.00)	6,054,909.40
Agricultural Water Quality	21933	1,767,173.61	515,300.58	(2,260,364.11)	1,225,000.00	1,247,110.08
Complex Litigation Special Fd	21934	-	-	-	1,000,000.00	1,000,000.00
BGS/Sale of Middlebury	21935	-	-	-	-	-
Information Center Revenues	21936	364,507.20	54,541.65	(1,593.36)	-	417,455.49
GMCB Regulatory and Admin Fund	21937	2,087,153.38	3,140,438.55	(3,444,500.27)	(650,000.00)	933,091.66
Jud-Conference Fund	21940	-	-	-	-	-
Court Technology Fund	21941	3,479,742.22	1,426,833.95	(1,179,895.90)	-	3,726,680.27
Municipal Tkt Repay Revolving	21942	-	-	-	-	-
State PACE Reserve Fund	21943	50,573.18	701.45	-	-	51,274.63
Vermont Enterprise Fund	21944	-	-	-	-	-
DOC-Corrections Donations	21945	4.52	-	-	-	4.52
Mont Dist Heat Plant Maint Res	21947	213,300.00	-	-	-	213,300.00
VTNG & Reserve Family Fund	21950	-	-	-	-	-
Property Assessment Fund	21955	-	-	-	-	-
Unsafe Dam Revolving Loan Fund	21960	248,763.38	3,450.31	-	-	252,213.69
Animal Spay/Neutering Fund	21965	173,657.23	285,712.10	(403,627.57)	-	55,841.76
Registration Fees Fund	21970	485,884.24	472,400.00	(315,800.34)	(300,000.00)	342,483.90
Armed Services Scholarship Fnd	21975	42,144.60	787.67	-	484.00	43,416.27
Indemnification Fund	21980	-	-	-	-	-
Brownfields Revitalization Fnd	21985	-	-	-	-	-
State Health Care Resources Fd	21990	2,308,359.40	288,595,716.66	(288,150,091.00)	443,587.00	3,187,572.06
VT Clean Energy Dev Fund	21991	4,440,060.70	564,982.38	(1,959,426.71)	453,292.00	3,498,908.37
Next Generation Initiative Fnd	21992	422,526.03	13,775.17	(1,624,916.10)	1,854,500.00	675,885.10
VT Traumatic Brain Injury Fund	21994	1,266.67	17.69	-	-	1,284.36
<b>Special Fund Total</b>		<b>147,266,261.91</b>	<b>682,559,245.07</b>	<b>(656,925,220.21)</b>	<b>13,843,097.04</b>	<b>186,743,383.81</b>

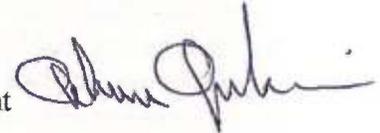
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Adam Greshin, Commissioner

## MEMORANDUM

**TO:** Joint Fiscal Committee  
**FROM:** Adam Greshin, Commissioner of Finance & Management  
**DATE:** October 15, 2018  
**RE:** Excess Receipts Report – 32 VSA Sec 511



In accordance with 32 VSA Sec 511, please find attached the report on Excess Receipts approved for expenditure through the first quarter of FY 2019 (7/1/2018 through 9/30/18). The full text of the governing statute is provided at the end of this memo.

### Review Process

The Administration goes through an extensive application and approval process for allowing expenditure of excess receipts. The form required of departments can be found at: [http://finance.vermont.gov/sites/finance/files/pdf/forms/budget/Excess\\_Receipts\\_Form.doc](http://finance.vermont.gov/sites/finance/files/pdf/forms/budget/Excess_Receipts_Form.doc) (at <http://finance.vermont.gov/forms> under the “Budget” category). The form requires information to ensure that the approval does not overstep statutory guidelines. Requests that overstep the statutory guidelines are denied, and/or where appropriate are held for the legislative budget process.

Departments are required to provide written answers to the following questions (although only the response to the first question is entered into the VISION database):

- Reason funds are available?
- Do you anticipate additional funds from the same source available in this fiscal year and above current appropriation?
- Is this increase one-time or at an ongoing level?
- Why were funds not fully budgeted during budget development?
  - What is the current year appropriation or grant amount approved by the Joint Fiscal Committee for this fiscal year, from this source of funds for this purpose?
- If these are ongoing funds, will funds from this source be fully budgeted and appropriated next fiscal year?
- Were excess receipts requested from this source in the preceding two fiscal years? If so, explain why they were not budgeted?
- Are these excess receipts being received from another department (i.e., interdepartmental transfers)? If so, are they appropriated in that department or will excess receipts be required there as well?



- Relationship, if any, to the Budget Adjustment Act?
- Can excess receipts be used to reduce the expenditure of State funds?
- **Will excess receipts establish or increase the scope of a program, committing the State at any time to expend State funds?** [The form notes that in such instances, legislative approval is required.]
- What specifically will excess receipts be used for? What is the impact on programs if this excess receipt request is not approved?
- Are any of the excess receipts to be used for your department's administrative, staff or operating expenses? If so, explain.
- Is there any matching fund requirement due to excess receipts? If so, where is the match found in your budget?
- If excess receipts are earned federal receipts, is excess receipt being spent in the same (federal) program where the excess receipts are earned? If not, explain.
- Has the excess receipt been received and deposited? If no, what date are funds expected?
- If approved, when will the expenditure of this excess receipt first occur?

The VISION entry normally includes only the response to the first question – why are additional receipts available? However, for any individual Excess Receipt Request, we can provide the full paper copy of the form, listing all the department's responses.

### **Broad Categories of Excess Receipt Requests**

Requests for expenditure of excess receipts generally fall into several broad categories:

**Interdepartmental Transfers:** It is not uncommon for one State department ("Department A") to purchase services from another State department ("Department B"). In that instance, Department A budgets these expenditures just as they would any other type of expenditure: by type of expenditure and by the source of revenue that will fund these expenditures. Department B also budgets these expenditures, and identifies the source of revenue as "interdepartmental transfers." This process results in a small amount of "double-booking" of spending authority but ensures that both departments have the necessary spending authority. In many cases, at the time of budget development, Department A has not yet decided from where to purchase the services in question, so Department B does not budget the interdepartmental transfer revenues. When Department A moves forward to contract for services with Department B after the budget has closed, then Department B must request an Excess Receipts approval for the additional spending authority to perform the services.

**Federal Funds:** Departments estimate their likely federal receipts in the fall for the upcoming budget year, meaning the estimate is as much as nine-months old at the start of the budget year, and another 12 months older by the end of the budgeted fiscal year. As a result, more recent developments may mean that the budgeted federal spending authority is insufficient, either because the current federal award for an existing grant has been increased, or there is spending authority from grants from earlier federal fiscal years that can be used in the current year. Additionally, extraordinary events – such as the federal American Recovery and Reinvestment Act (ARRA) or federal aid to Vermont due to Tropical Storm Irene – may cause large – and unanticipated -- spikes in federal receipts.

**Other:** There are over 200 different special funds created under State law, in which are deposited fees, user charges, penalties, specified taxes, etc. Departments estimate how much they will collect each year for each of these special funds, and base their spending plans accordingly. However, for the same reasons noted above, the actual collections for these revenues may be higher than the original budget. Excess receipts may also be used in an instance where prior-year special fund spending authority was not utilized and needs to be created again in the subsequent year (similar to a carry-forward). It should be noted that in addition to the restrictions in the excess receipts statute, each special fund has its own statutory restrictions that prevent the funds being used for other than their intended purposes and programs.

**Attached Report:**

The attached report is a cumulative list of approved excess receipt requests for the first quarter of the current fiscal year. It includes ALL the data entered in VISION for that transaction, including:

- Agency/Department name
- Appropriation name and "DeptID"
- Transaction date
- Fund source – name and fund number
- Amount
- Comments in response to question: "Why are funds available?" (VISION allows for a limited number of characters per cell entry.)

The data are sorted into the three broad categories of requests discussed above.

**Governing Statute:**

***32 V.S.A. § 511. EXCESS RECEIPTS***

*If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended on the approval of the commissioner of finance and management. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the state to the expenditure of state funds, they may only be expended upon the approval of the legislature. Excess federal receipts, whenever possible, shall be utilized to reduce the expenditure of state funds. The commissioner of finance and management shall report to the joint fiscal committee quarterly with a cumulative list and explanation of the allocation and expenditure of such excess receipts.*

FY 2019 Excess Receipts Report - Q1 - Run 10/15/2018

FY 2019 Excess Receipts Report - Q1 - Run 10/15/2018							
Treasurer's Office	US Forest Sales to Towns	1260110000	7/26/2018	22005	Federal Revenue Fund	98,507	Federal Money
Housing & Comm Development	Housing & Community Developmnt	7110010000	9/27/2018	22005	Federal Revenue Fund	2,584,026	Community Development Block Grant program awards exceed current spending
Economic Development	Economic Development	7120010000	8/6/2018	22005	Federal Revenue Fund	672,023	Federal Department of Defense Economic Adjustment Assistance and Environmental Protection Agency Brownfield Assessment awards exceeds current spending authority.
<b>Subtotal Federal Funds (Including "Regular" ARRA) Excess Receipts</b>						<b>3,354,556</b>	
Agency of Digital Services	Comm & Info Technology	1105500000	9/26/2018	21500	Inter-Unit Transfers Fund	69,240	Remaining balances from VCGI in ACCD totalling \$375,201.45
Agency of Digital Services	Comm & Info Technology	1105500000	9/26/2018	21500	Inter-Unit Transfers Fund	(747,210)	To reverse orig ER-28 that was posted on 8/15/18.
Agency of Digital Services	Comm & Info Technology	1105500000	8/15/2018	21500	Inter-Unit Transfers Fund	747,210	Carry forward and by Statute
Sergeant at Arms' Office	Sergeant at Arms	1230001000	8/14/2018	21500	Inter-Unit Transfers Fund	10,000	Room Rental
State Ethics Commission	State Ethics Commission	1300001000	7/31/2018	21500	Inter-Unit Transfers Fund	62,953	The Ethics Commission was created on 10/15/17 and has been working on setting up operations. Large startup expenses were planned but not executed before 6/30/18. This ER is to re-establish the spending authority to allow the purchase of svcs and equip.
Crime Victims' Services Center	Victims Compensation	2160010000	9/21/2018	21500	Inter-Unit Transfers Fund	2,552	Grant to VCCVS from DCF MOU 03440-38354-18-CJA
Forests, Parks & Recreation	Forestry	6130020000	8/14/2018	21500	Inter-Unit Transfers Fund	5,000	Funds from VDH to support delivery of Arbor Day Foundation's Energy Saving Trees Program in two communities, which provides property owners with free trees, with the goal of reducing energy expenses on cooling and heating.
Forests, Parks & Recreation	Forestry	6130020000	8/14/2018	21500	Inter-Unit Transfers Fund	11,706	Fund from DEC to facilitate compliance with water quality requirements. FPR will create a green street guidance doc to provide info & advice on how to incorporate green infrastructure to create high quality urban roadside environments.
Forests, Parks & Recreation	Forestry	6130020000	8/14/2018	21500	Inter-Unit Transfers Fund	11,000	Funds are available through a grant agreement with DEC to support invasive plant control in Lake Champlain.
Forests, Parks & Recreation	Forestry	6130020000	8/14/2018	21500	Inter-Unit Transfers Fund	25,000	The receipts in the interdepartmental transfer fund are available from FEMA disaster assistance received through VTrans for the flood events.

Forests, Parks & Recreation	Parks	6130030000	8/14/2018	21500	Inter-Unit Transfers Fund	225,000	The receipts in the interdepartmental transfer fund are available from FEMA disaster assistance received through VTrans for the flood events.
Tourism & Marketing	Dept. of Tourism & Marketing	7130000000	7/16/2018	21500	Inter-Unit Transfers Fund	16,779	FY18 remaining inter-unit transfer cash balance of Byways Program per MOU with AOT.
Transportation Agency	Finance & Administration Div	8100000100	7/9/2018	21500	Inter-Unit Transfers Fund	500,000	Expenditures related to fire event at National Life will be reimbursed by insurance reserve funds.
<b>Subtotal Interdepartmental Transfers</b>						<b>1,160,393</b>	
Economic Development	Economic Development	7120010000	7/16/2018	21820	ACCD-Miscellaneous Receipts	19,970	Cash balance of Economic Development PTAC Program's Matchmaker Event in Misc Receipts Special Fund 21820.
Buildings & Gen Serv-Capital	VT Expo major Maint 51/14(a)	1305100141	9/6/2018	21682	AF&M-Eastern States Building	25,000	Additional spending authority to cover additional expenses at the Big E.
Buildings & Gen Serv-Gov'tal	BGS- Recycling Efforts	1150060000	8/22/2018	21604	BGS-Recycling Efforts	20,000	Funds are collected from the disposition of recycling materials. The proceeds are deposited into the fund and can only be used for recycling efforts statewide.
Buildings & Gen Serv-Capital	BGS-Various Property Sales	0904300250	9/25/2018	21613	BGS-Sale of State Land	8,903	Replenish spending authority as of 6/30/18
Buildings & Gen Serv-Capital	BGS-Various Property Sales	0904300250	8/14/2018	21613	BGS-Sale of State Land	8,903	Replenish spending authority as of 6/30/18
Agency of Digital Services	Comm & Info Technology	1105500000	9/26/2018	21932	Clean Water Fund	290,065	Remaining balances from VCGI in ACCD totalling \$375,201.45
Education Agency	Education Services	5100070000	9/6/2018	21848	ED-Private Sector Grants	210,000	Unspent funds from FY18 and additional funds received from grantor organizations.
Economic Development	Economic Development	7120010000	7/16/2018	21898	Entergy-Windham Cnty Econ Dev	339,873	Remaining cash balance of Entergy-Vermont Yankee Windham Cnty Econ Dev Fund (21898) which was set up for a \$10m settlement fee paid out at \$2m per year for 5 years per attached MOU. [Act 4 (2015) Sec. 69(a); Act 68 (2016) Sec. 69A.]
Human Resources-Gov'tal	DHR - VTHR Operations	1120080000	8/8/2018	59300	Financial Management Fund	414,209	The DHR division of VTHR Operations ended the fiscal year with a surplus of funds and is now requesting ER authorization to use the funds to upgrade the system to make it more innovative/intuitive. ER will be used for FY19 HCM Modernization.
Forests, Parks & Recreation	Lands Administration	6130040000	8/20/2018	21779	FPR-Youth Conservation Corps	300,000	Funds are available through a cash assistance MOA between FPR and VYCC. VYCC will reimburse FPR for all cash assistance before the end of FY19.
Transportation Agency-Prop	Central Garage	8110000200	8/1/2018	57100	Highway Garage Fund	778,374	Funds are the unexpended balance in the equipment replacement account at the end of FY18. Funds will be used for equipment purchases per Title 19, Sec. 13 (c).

Human Resources-Gov'tal	PERSONNEL OPERATIONS	1120010000	8/29/2018	59600	Human Resource Services	115,323	As we prepare for the final FY18 CAFR, we need to finalize the transfer between fund 59600 and 21500 for the amount appropriated to the State Ethics Commission for FY18. This will be a one-time transfer to true-up accounts for FY18.
Human Resources-Gov'tal	PERSONNEL OPERATIONS	1120010000	7/24/2018	59600	Human Resource Services	98,967	DHR began implementation of a new recruitment svcs system, fully budgeted for in FY18. Project milestone payments to the vendor carried into FY19. This ERR is to re-establish the spending authority in FY19 in order to complete payments for the project.
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	9/21/2018	21936	Information Center Revenues	250,000	Receipts come from advertisement marketing panels placed in Information Centers around the state.
Economic Development	Economic Development	7120010000	7/24/2018	21054	Misc Fines & Penalties	20,000	Stenger EB-5 Settlement Agreement (attached). Funds will be deposited into fund 21054 Misc Fines and Penalties to be used for Rutland Economic Development. Spending authority will be built into the FY20 Base Budget.
Judiciary	Judiciary Appropriation	2120000000	7/17/2018	21908	Misc Grants Fund	26,584	FY18 Grant Award carry-forward to FY19. Grant was extended to 7/31/2018.
Sergeant at Arms' Office	Sergeant at Arms	1230001000	8/14/2018	21870	Misc Special Revenue	10,000	Room Rental
Public Safety	DPS-Emergency Management	2140030000	9/21/2018	21870	Misc Special Revenue	604,000	Emergency Management Assistance Compact (EMAC) missions
Agency of Digital Services	Comm & Info Technology	1105500000	9/26/2018	21330	Municipal & Regional Planning	5,277	Remaining balances from VCGI in ACCD totalling \$375,201.45
Forests, Parks & Recreation	Forestry	6130020000	8/14/2018	21475	Natural Resources Mgmt	33,334	Under H.495 DEC will transfer 50K of revenue to FPR for water quality improvement efforts. The funds will be used to purchase & construct skidder bridges for timber harvesters and other to improve water quality at logging sites.
Economic Development	STEM Incentive	7120891602	7/17/2018	21992	Next Generation Initiative Fnd	59,100	One-time appropriations FY2018 special fund remaining balances carry forward
Economic Development	STEM Incentive	7120891702	7/17/2018	21992	Next Generation Initiative Fnd	27,900	One-time appropriations FY2018 special fund remaining balances carry forward
Public Safety	DPS-Emergency Management	2140030000	9/21/2018	21584	Surplus Property	20,303	Proceeds from SFY18 spring auction
Finance & Management	University of VT	1110891802	7/18/2018	21370	Tobacco Litigation Settlement	500,000	These funds were appropriated in the FY2019 Big Bill for UVM per Sec C. 105.1(a)(2). We are requesting Excess Receipts to re-establish spending authority.
Buildings & Gen Serv-Gov'tal	Brattleboro Retreat	1150891801	9/24/2018	21370	Tobacco Litigation Settlement	1,000,000	2018 Special Session Act 11 Sec C.105.1(a)(1) appropriated 1MM to BGS for renovation and fit-up of the Brattleboro Retreat. The approp was approved at the end of FY18 without time for BGS to expend the funds. This to re-establish spending authority.

Joint Fiscal Office	Corrections Healthcare	1220891801	8/20/2018	21370	Tobacco Litigation Settlement	150,000	Funds were appropriated in Act 11 of 2018 (Sec. C.105.1(a)(13)) from the Tobacco Litigation Settlement Fund for use on a study of corrections health care.
Transportation Agency	Rail	8100002300	7/16/2018	20150	Transportation FEMA Fund	25,000	Funds are available for three Rail projects, New Haven RREW001A, RREW001C, and Ferrisburgh RREW001D.
Transportation Agency	TH State Aid Federal Disasters	8100001000	7/24/2018	20135	Transportation FHWA Fund	2,500,000	Funds are Federal Emergency Relief funds available for Disaster VT17-1 - Heavy Rain, Severe Flooding in the State of Vermont from 6/29-7/1/17 - see attached letter.
Transportation Agency	Rail	8100002300	7/24/2018	20155	Transportation-FRA Fund	1,644,479	Funds are available from TIGER V Grant. See attached email from FRA.
Military	MIL Vet Affairs Office	2150050000	9/21/2018	21924	Vermont Veterans Fund	72,900	Proceeds from tax return donations
Agency of Digital Services	Comm & Info Technology	1105500000	9/26/2018	21328	Vt Center for Geographic Infor	10,620	Remaining balances from VCGI in ACCD totalling \$375,201.45
<b>Subtotal Other Fund Excess Receipts</b>						<b>9,589,085</b>	
<b>TOTAL:</b>						<b>14,104,034</b>	





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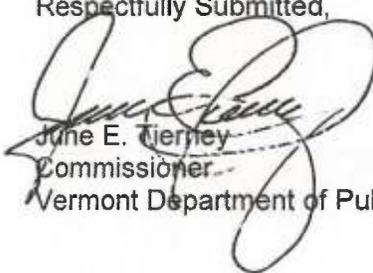
October 12, 2018

State of Vermont  
LEGISLATIVE JOINT FISCAL COMMITTEE  
One Baldwin Street  
Montpelier, VT 05633-5701

To: The Legislative Joint Fiscal Committee

Enclosed is the Quarterly Report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission pursuant to 30 V.S.A. § 20 (b)(9), covering the period from July 1, 2018 through September 30, 2018.

Respectfully Submitted,

  
June E. Tierney  
Commissioner  
Vermont Department of Public Service

Enclosure



**Public Service Department Expenditures  
Related to Proceedings  
At the  
Federal Energy Regulatory Commission  
For the period  
July 1, 2018 – June 30, 2019**

**General Description of Activity**

The Department takes action at the Federal Energy Regulatory Committee (FERC) to protect the interest of Vermont ratepayers in many different proceedings. For example, the Department has been active at FERC in ensuring fairness in cost allocations for utility projects and in ensuring Vermont's interests are represented in New England transmission projects. The issues vary from quarter to quarter but it is crucial to Vermont consumers that the Public Service Department intervenes at FERC when necessary to ensure that the costs flowing back to Vermont ratepayers as a result of FERC activity and proceedings are true, accurate, just and reasonable. The Department has contracted Synapse Energy Economics, Inc to monitor FERC activities, and certain in-house expenses are also attributed to FERC activities.

**Expenditures**

For FERC related activity affecting Vermont<sup>1</sup>

Q1 FY2019 \$ 1,883.04  
Q2 FY2019 \$  
Q3 FY2019 \$  
Q4 FY2019 \$

\$

Indirect Expenditures<sup>2</sup>

\$

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Total Expenditures<sup>3</sup> YTD for the Year FY2019

\$ 1,883.04

<sup>1</sup> In accordance with Title 30, § 20 (b) (9) the department of public service provides the following quarterly report for expenditures related to FERC proceedings affecting the State and Vermont Utilities for the period July 1, 2016 through June 30, 2017.

<sup>2</sup> Indirect expenditures include telephone, postage and copying expense.

<sup>3</sup> Expenditures include amounts actually paid for the quarter.



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*Al Gobeille, Secretary*

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## **Global Commitment Investment Report**

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### **Report to the Joint Fiscal Committee**

**Pursuant to 33 VSA § 1901e**

**Al Gobeille, Secretary**  
Vermont Agency of Human Services

October 1, 2018

Investment Expenditures

Department	Investment#	Investment Description	SFY14	SFY15	SFY16	SFY17	SFY18
AHSCO	41	Investments (STC-79) - 2-1-1 Grant (41)	\$ 499,792	\$ 499,667	\$ 453,000	\$ 453,000	\$ 453,000
AHSCO	54	Investments (STC-79) - Designated Agency Underinsured Services (54)	\$ 7,184,084	\$ 6,894,205	\$ 5,632,253	\$ 7,652,462	\$ 7,316,517
AOA		Green Mountain Care	\$ -	\$ 639,239	\$ -	\$ -	\$ -
AOE	11	Non-state plan Related Education Fund Investments (School Health Services)	\$ 10,454,116	\$ 10,029,809	\$ 10,472,205	\$ -	\$ -
DFR		Health Care Administration	\$ 165,946	\$ -	\$ -	\$ -	\$ -
GMCB	45	Green Mountain Care Board	\$ 2,360,462	\$ 2,517,516	\$ 2,188,901	\$ 2,795,198	\$ 1,920,142
UVM	10	Vermont Physician Training	\$ 4,006,156	\$ 4,046,217	\$ 4,046,217	\$ 4,046,217	\$ 4,046,217
VAAFM	36	Agriculture Public Health Initiatives	\$ 90,278	\$ 90,278	\$ 90,278	\$ 90,278	\$ -
VSC	32	Health Professional Training	\$ 405,407	\$ 409,461	\$ 629,462	\$ 409,461	\$ 409,461
VVH	20	Vermont Veterans Home	\$ 410,986	\$ 410,986	\$ 410,986	\$ 410,986	\$ 410,986
DCF	55	Investments (STC-79) - Medical Services (55)	\$ 33,514	\$ 32,299	\$ 55,400	\$ 85,151	\$ 71,382
DCF	1	Investments (STC-79) - Residential Care for Youth/Substitute Care (1)	\$ 11,137,225	\$ 10,405,184	\$ 10,238,115	\$ 11,329,080	\$ 9,017,098
DCF	56	Investments (STC-79) - Aid to the Aged, Blind and Disabled CCL Level III (56)	\$ 2,611,499	\$ 2,864,727	\$ 2,753,853	\$ 2,710,931	\$ 2,809,148
DCF	57	Investments (STC-79) - Aid to the Aged, Blind and Disabled Res Care Level III (57)	\$ 89,159	\$ 77,196	\$ 80,830	\$ 61,678	\$ 43,529
DCF	58	Investments (STC-79) - Aid to the Aged, Blind and Disabled Res Care Level IV (58)	\$ 183,025	\$ 160,963	\$ 190,066	\$ 172,218	\$ 105,594
DCF	59	Investments (STC-79) - Essential Person Program (59)	\$ 801,658	\$ 707,316	\$ 802,619	\$ 1,022,339	\$ 942,059
DCF	60	Investments (STC-79) - GA Medical Expenses (60)	\$ 253,939	\$ 211,973	\$ 181,835	\$ 221,199	\$ 236,643
DCF		Investments (STC-79) - Children's Integrated Services Early Intervention	\$ 200,484	\$ -	\$ 371,836	\$ 371,870	\$ -
DCF	61	Investments (STC-79) - Therapeutic Child Care (61)	\$ 543,196	\$ 605,419	\$ 712,884	\$ 612,052	\$ 1,279,496
DCF	2	Investments (STC-79) - Lund Home (2)	\$ 237,387	\$ 405,034	\$ 261,081	\$ 1,769,128	\$ 2,349,849
DCF	33	Investments (STC-79) - Prevent Child Abuse Vermont: Shaken Baby (33)	\$ 111,094	\$ 54,125	\$ 54,125	\$ 38,795	\$ -
DCF	34	Investments (STC-79) - Prevent Child Abuse Vermont: Nurturing Parent (34)	\$ 54,231	\$ 195,124	\$ 126,365	\$ 113,832	\$ 102,582
DCF	9	Investments (STC-79) - Challenges for Change: DCF (9)	\$ 207,286	\$ 189,378	\$ 202,488	\$ 210,624	\$ 202,488
DCF	26	Investments (STC-79) - Strengthening Families (26)	\$ 399,841	\$ 370,003	\$ 426,417	\$ 439,420	\$ 921,322
DCF	62	Investments (STC-79) - Lamolille Valley Community Justice Project (62)	\$ 402,685	\$ 83,315	\$ 216,000	\$ 216,000	\$ 219,000
DCF	35	Investments (STC-79) - Building Bright Futures (35)	\$ 594,070	\$ 514,225	\$ 531,283	\$ 625,562	\$ 543,611
DCF		GA Community Action	\$ 25,181	\$ -	\$ -	\$ -	\$ -
DDAIL	63	Investments (STC-79) - Mobility Training/Other Svcs.-Elderly Visually Impaired (63)	\$ 245,000	\$ 245,000	\$ 270,170	\$ 295,403	\$ 268,670
DDAIL	64	Investments (STC-79) - DS Special Payments for Medical Services (64)	\$ 1,277,148	\$ 385,896	\$ 1,904,880	\$ 2,736,796	\$ 1,847,505
DDAIL	27	Investments (STC-79) - Flexible Family/Respite Funding (27)	\$ 2,868,218	\$ 1,400,997	\$ 1,919,377	\$ 1,877,363	\$ 1,591,743
DDAIL	42	Investments (STC-79) - Quality Review of Home Health Agencies (42)	\$ 51,697	\$ 44,682	\$ 35,203	\$ 21,928	\$ 70
DDAIL	43	Investments (STC-79) - Support and Services at Home (SASH) (43)	\$ 1,013,671	\$ 1,026,155	\$ 1,013,283	\$ 1,022,170	\$ 1,039,818
DDAIL	77	Investments (STC-79) - HomeSharing (77)	\$ 317,312	\$ 327,163	\$ 339,966	\$ 340,882	\$ 349,318
DDAIL	78	Investments (STC-79) - Self-Neglect Initiative (78)	\$ 200,000	\$ 265,000	\$ 276,830	\$ 277,257	\$ 281,738
DDAIL	65	Investments (STC-79) - Seriously Functionally Impaired: DAIL (65)	\$ 859,371	\$ 333,331	\$ 120,997	\$ 74,041	\$ 73,806
DMH	28	Investments (STC-79) - Special Payments for Treatment Plan Services (28)	\$ 168,492	\$ 152,047	\$ 158,316	\$ 155,800	\$ 144,810
DMH	66	Investments (STC-79) - MH Outpatient Services for Adults (66)	\$ 2,661,510	\$ 3,074,989	\$ 4,446,379	\$ 2,702,991	\$ 2,897,020
DMH	79	Investments (STC-79) - Mental Health Consumer Support Programs (79)	\$ 2,178,825	\$ 1,132,931	\$ 470,222	\$ 464,525	\$ 396,237
DMH	16	Investments (STC-79) - Mental Health CRT Community Support Services (16)	\$ 11,331,235	\$ 282,071	\$ 5,866,297	\$ 7,446,247	\$ 8,592,779
DMH	12	Investments (STC-79) - Mental Health Children's Community Services (12)	\$ 3,377,546	\$ 3,706,864	\$ 4,379,820	\$ 4,511,388	\$ 4,689,320
DMH	29	Investments (STC-79) - Emergency Mental Health for Children and Adults (29)	\$ 6,662,850	\$ 4,148,197	\$ 2,528,751	\$ 7,989,001	\$ 9,281,100
DMH	67	Investments (STC-79) - Respite Services for Youth with SED and their Families (67)	\$ 749,943	\$ 931,962	\$ 1,286,154	\$ 1,209,076	\$ 1,213,442
DMH	22	Investments (STC-79) - Emergency Support Fund (22)	\$ 985,098	\$ 463,708	\$ 914,858	\$ 995,193	\$ 1,020,523
DMH	3	Investments (STC-79) - Institution for Mental Disease Services: DMH (3) - VPCH	\$ -	\$ -	\$ -	\$ 21,804,310	\$ 22,438,553
DMH	3	Investments (STC-79) - Institution for Mental Disease Services: DMH (3) - BR	\$ 7,194,964	\$ 25,371,245	\$ 22,335,938	\$ 4,786,816	\$ 5,882,299
DMH	68	Investments (STC-79) - Seriously Functionally Impaired: DMH (68)	\$ 721,727	\$ 392,593	\$ 246,049	\$ 114,942	\$ 109,731
DMH	13	Investments (STC-79) - Acute Psychiatric Inpatient Services (13)	\$ 3,011,307	\$ 2,423,577	\$ 3,145,476	\$ 4,287,792	\$ 3,148,571
DOC	4	Return House	\$ 399,999	\$ 343,592	\$ 342,084	\$ 437,023	\$ 457,139
DOC	5	Northern Lights	\$ 335,587	\$ 354,909	\$ 768,289	\$ 370,155	\$ 414,183
DOC	6	Pathways to Housing - Transitional Housing	\$ 830,936	\$ 830,336	\$ 1,018,229	\$ 910,936	\$ 937,864
DOC	14	St. Albans and United Counseling Service Transitional Housing (Challenges for Change)	\$ 433,910	\$ 539,727	\$ -	\$ 667,967	\$ 460,741
DOC	15	Northeast Kingdom Community Action	\$ 287,662	\$ 267,025	\$ 220,436	\$ 201,744	\$ 45,293
DOC	69	Intensive Substance Abuse Program (ISAP)	\$ 547,550	\$ 58,280	\$ -	\$ -	\$ -
DOC	70	Intensive Domestic Violence Program	\$ 64,970	\$ 169,043	\$ 88,152	\$ -	\$ -
DOC	71	Community Rehabilitative Care	\$ 2,388,327	\$ 2,539,161	\$ 2,639,580	\$ 2,690,514	\$ 2,840,036
DOC	80	Intensive Sexual Abuse Program	\$ 19,322	\$ 15,532	\$ 6,375	\$ 9,530	\$ 10,795
DVHA	8	Investments (STC-79) - Vermont Information Technology Leaders/HIT/HIE/HCR (8)	\$ 1,549,214	\$ 2,915,149	\$ 1,887,543	\$ 3,694,675	\$ 2,131,044
DVHA	51	Investments (STC-79) - Vermont Blueprint for Health (51)	\$ 2,490,206	\$ 1,987,056	\$ 2,594,329	\$ 2,474,551	\$ 3,290,433
DVHA	52	Investments (STC-79) - Buy-In (52)	\$ 17,728	\$ 27,169	\$ 29,447	\$ 53,552	\$ 30,686
DVHA	53	Investments (STC-79) - HIV Drug Coverage (53)	\$ 26,540	\$ 10,072	\$ 8,484	\$ 7,000	\$ 4,085
DVHA	18	Investments (STC-79) - Patient Safety Net Services (18)	\$ 363,489	\$ 335,420	\$ 573,050	\$ 647,696	\$ 29,050
DVHA	7	Investments (STC-79) - Institution for Mental Disease Services: DVHA (7)	\$ 6,948,129	\$ 7,792,709	\$ 7,839,519	\$ 8,034,408	\$ 7,897,961
DVHA	72	Investments (STC-79) - Family Supports (72)	\$ 3,723,521	\$ 2,982,388	\$ 273,177	\$ -	\$ 6,362
DVHA	81	DSR Investment (STC-83) - One Care VT ACO Quality & Health Management (81)	\$ -	\$ -	\$ -	\$ -	\$ 614,250
DVHA	82	DSR Investment (STC-83) - One Care VT ACO Advanced Community Care Coordination (82)	\$ -	\$ -	\$ -	\$ -	\$ 1,173,125
DVHA		Civil Union	\$ 760,819	\$ (50,085)	\$ (585)	\$ -	\$ -
VDH	19	Investments (STC-79) - Emergency Medical Services (19)	\$ 498,338	\$ 480,027	\$ 442,538	\$ 547,703	\$ 763,945
VDH	74	Investments (STC-79) - TB Medical Services (74)	\$ 59,872	\$ 28,571	\$ 9,738	\$ 139,946	\$ 132,445
VDH	40	Investments (STC-79) - Epidemiology (40)	\$ 623,363	\$ 872,449	\$ 750,539	\$ 876,737	\$ 1,146,645
VDH	39	Investments (STC-79) - Health Research and Statistics (39)	\$ 576,920	\$ 715,513	\$ 1,195,231	\$ 1,304,587	\$ 1,579,988
VDH	31	Investments (STC-79) - Health Laboratory (31)	\$ 2,494,516	\$ 3,405,659	\$ 3,294,240	\$ 3,227,611	\$ 3,245,097
VDH	50	Investments (STC-79) - Tobacco Cessation: Community Coalitions (50)	\$ 632,848	\$ 702,544	\$ -	\$ -	\$ 1,351,459
VDH	76	Investments (STC-79) - Statewide Tobacco Cessation (76)	\$ 1,073,244	\$ 1,148,535	\$ 257,507	\$ 257,507	\$ -
VDH	75	Investments (STC-79) - Family Planning (75)	\$ 1,556,025	\$ 1,390,410	\$ 1,193,215	\$ 1,473,280	\$ 1,349,711
VDH	25	Investments (STC-79) - Physician/Dentist Loan Repayment Program (25)	\$ 1,040,000	\$ 900,000	\$ 770,000	\$ 834,222	\$ 767,111
VDH	73	Investments (STC-79) - Renal Disease (73)	\$ 3,375	\$ 10,125	\$ 13,500	\$ 11,625	\$ -
VDH	37	Investments (STC-79) - WIC Coverage (37)	\$ 317,775	\$ 1,824,848	\$ 1,201,498	\$ 1,592,077	\$ 3,881,689

Department	Investment#	Investment Description	SFY14	SFY15	SFY16	SFY17	SFY18
VDH	21	Investments (STC-79) - Area Health Education Centers (AHEC) (21)	\$ 547,500	\$ 543,995	\$ 562,000	\$ 463,000	\$ 556,100
VDH	47	Investments (STC-79) - Patient Safety - Adverse Events (47)	\$ 38,731	\$ 34,988	\$ 35,033	\$ 39,465	\$ 36,700
VDH	30	Investments (STC-79) - Substance Use Disorder Treatment (30)	\$ 2,363,671	\$ 2,913,591	\$ 2,169,074	\$ 4,483,334	\$ 9,078,817
VDH	17	Investments (STC-79) - Recovery Centers (17)	\$ 1,009,176	\$ 1,299,604	\$ 1,354,104	\$ 1,505,120	\$ 1,486,634
VDH	46	Investments (STC-79) - Enhanced Immunization (46)	\$ 165,770	\$ 253,245	\$ 109,373	\$ 251,577	\$ 166,046
VDH	48	Investments (STC-79) - Poison Control (48)	\$ 152,433	\$ 105,586	\$ 85,586	\$ 136,390	\$ 84,756
VDH	23	Investments (STC-79) - Public Inebriate Services, C for C (23)	\$ 288,691	\$ 426,000	\$ 784,155	\$ 1,229,572	\$ 819,027
VDH	38	Investments (STC-79) - Fluoride Treatment (38)	\$ 59,362	\$ 55,209	\$ 75,916	\$ 62,341	\$ 57,644
VDH	24	Investments (STC-79) - Medicaid Vaccines (24)	\$ 707,788	\$ 557,784	\$ 578,183	\$ -	\$ -
VDH	49	Investments (STC-79) - Healthy Homes and Lead Poisoning Prevention Program (49)	\$ 479,936	\$ 421,302	\$ 187,784	\$ 258,563	\$ 257,121
VDH	44	Investments (STC-79) - VT Blueprint for Health (44)	\$ 713,216	\$ 703,123	\$ 757,576	\$ 874,534	\$ 1,466,561
VDH		Coalition of Health Activity Movement Prevention Program (CHAMPPS)	\$ 326,184	\$ 395,229	\$ (26,262)	\$ -	\$ -
VDH		Community Clinics	\$ 688,000	\$ -	\$ -	\$ -	\$ -
VDH		FQHC Lookalike	\$ 160,200	\$ 97,000	\$ 6,000	\$ -	\$ -
			\$ 127,103,459	\$ 128,924,888	\$ 126,882,102	\$ 138,740,345	\$ 147,237,720

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